

979759

ABN AMRO Asset Management Limited

Report and Accounts

31 December 2000



Registered No. 979759

DIRECTORS

T Cross Brown (Chairman)
P A Abberley
A N R Fleming
R D W Haas
A F Hames
D M Keegan
G M Luckraft
N A D Thomas
R J Turpin

SECRETARY

A F Hames

AUDITORS

Ernst & Young
Rolls House
7 Rolls Buildings
Fetter Lane
London EC4A 1NH

BANKERS

The Royal Bank of Scotland plc
49 Charing Cross
London SW1A 2DX

REGISTERED OFFICE

250 Bishopsgate
London EC2M 4AA

DIRECTORS' REPORT

The directors present their annual report and accounts for the year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment management for private clients, trust funds, companies, pension funds and other institutions.

REVIEW OF DEVELOPMENTS, RESULTS AND DIVIDENDS

The Company's profit & loss account is shown on page 6 and the balance sheet on page 7. The directors do not recommend payment of a dividend (1999 - £nil). The loss for the year of £718,000 (1999 - £835,000) is transferred to retained reserves.

FIXED ASSETS

Movements in fixed assets during the year are shown in notes 8 and 9 to the accounts.

CHARITABLE CONTRIBUTIONS

Donations to UK charities amounted to £5,000 (1999 - £5,000).

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:

T Cross Brown (Chairman)
P A Abberley (appointed 3 July 2000)
C G Erwin (resigned 31 March 2001)
A N R Fleming
R D W Haas
A F Hames
D M Keegan
G M Luckraft
N A D Thomas
R J Turpin (appointed 12 February 2001)

The directors have no interests in the share capital of the Company or of other group companies.

GROUP RESTRUCTURE

A corporate restructuring project was completed on 1 January 2000 which resulted in the following changes :

The Company was sold by its parent, ABN AMRO Equities Holdings (UK) Limited to ABN AMRO Asset Management Holdings Limited via a share for share exchange for the nominal share capital of the Company. ABN AMRO Asset Management (Holdings) Limited is registered in England and Wales and is a direct subsidiary of ABN AMRO Equities Holdings (UK) Limited.

The Company sold its subsidiary, ABN AMRO Fund Managers Limited, to ABN AMRO Asset Management Holdings Limited at fair value (£3.5m) for cash consideration.

The Company purchased the business of a fellow subsidiary, ABN AMRO Asset Management (Fixed Income) Limited. The cash consideration is equivalent to the net asset value of the company at 31 December 1999.

DIRECTORS' REPORT**AUDITORS**

Pursuant to s386 Companies Act 1985, an elective resolution was passed on 6 December 1999 dispensing with the requirement to appoint auditors annually. Therefore, Ernst & Young are deemed to continue as auditors.

Ernst & Young has stated that, during 2001, it is intending to transfer its business to a limited liability partnership, incorporated under the Limited Liability Partnerships Act 2000, to be called Ernst & Young LLP.

If this happens, it is the current intention of the Directors to use their statutory powers to treat the appointment of Ernst & Young as extending to Ernst & Young LLP.

By order of the Board and signed on its behalf



Secretary
A F Hames

Date 27 APRIL 2001

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; and
- 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.

REPORT OF THE AUDITORS

to the members of ABN AMRO Asset Management Limited

We have audited the accounts on pages 6 to 12, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4, the Company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

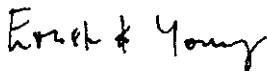
Basis of opinion

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 affairs of the Company as at 31 December 2000 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditor
London

Date 27 April 2001

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2000

		<i>Year ended 31 December 2000 £'000</i>	<i>Year ended 31 December 1999 £'000</i>
	<i>Notes</i>		
TURNOVER	2	12,629	2,983
Administrative expenses		(14,043)	(4,445)
OPERATING LOSS		(1,414)	(1,462)
Interest receivable and similar income		389	279
Interest payable and similar charges	3	(0)	(13)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(1,025)	(1,196)
Tax on loss on ordinary activities	5	307	361
LOSS FOR THE FINANCIAL YEAR		(718)	(835)

All the Company's activities are continuing.

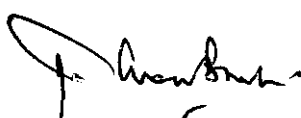
There were no recognised gains or losses other than those shown in the profit and loss account and consequently, no Statement of Total Recognised Gains and Losses has been prepared.

BALANCE SHEET

at 31 December 2000

	Notes	31 December 2000 £'000	31 December 1999 £'000
FIXED ASSETS			
Tangible assets	8	0	5
Investments	9	0	3,075
		<u>0</u>	<u>3,080</u>
CURRENT ASSETS			
Debtors	10	6,663	2,192
Cash at bank and in hand		10,140	2,836
		<u>16,803</u>	<u>5,028</u>
CREDITORS : amounts falling due within one year	11	(12,872)	(3,459)
NET CURRENT ASSETS		<u>3,931</u>	<u>1,569</u>
NET ASSETS		<u>3,931</u>	<u>4,649</u>
 CAPITAL AND RESERVES			
Called up share capital	12	6,079	6,079
Share premium account		184	184
Profit and loss account		(2,332)	(1,614)
SHAREHOLDERS' FUNDS	13	<u>3,931</u>	<u>4,649</u>

The accounts were approved by the Board of Directors on 27 APRIL 2001 and signed on its behalf by:



Director T. CROSS BROWN

Date 27 APRIL 2001

NOTES TO THE ACCOUNTS

at 31 December 2000

1. ACCOUNTING POLICIES***Accounting convention***

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

Group Accounts

Group accounts are not prepared because the Company is a wholly owned subsidiary of a company incorporated in the EC which prepares group accounts. These accounts present the net assets and results for the Company as a single entity and not for its group.

Depreciation

Depreciation is charged on fixed assets on a straight line basis at the following rates per annum:

Fixtures and fittings	-	33% on cost
Computer equipment	-	33% on cost

Deferred taxation

Deferred taxation, calculated on the liability method, is provided to the extent that the directors consider that a liability will crystallise in the foreseeable future.

Income from securities

Income from securities is accounted for on a receivable basis.

Pensions

Since the acquisition of the Company by ABN AMRO Equities Holdings (UK) Limited, the employees have been eligible for membership of a defined benefit separately funded group scheme. Charges made by ABN AMRO Management Services Limited in respect of pension contributions equate to the regular cost of pensions, as determined with the advice of independent qualified actuaries, over the employees' working lives within the group. Information on the actuarial valuation of the scheme is presented in the accounts of ABN AMRO Management Services Limited.

2. TURNOVER

Turnover comprises investment management fees, all of which arise in the United Kingdom.

3. INTEREST PAYABLE AND SIMILAR CHARGES

	<i>Year ended 31 December 2000 £'000</i>	<i>Year ended 31 December 1999 £'000</i>
Settlement claims	0	13

NOTES TO THE ACCOUNTS

at 31 December 2000

4. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	<i>Year ended 31 December 2000 £'000</i>	<i>Year ended 31 December 1999 £'000</i>
Auditors' remuneration - audit services	14	14
- non-audit services	4	4
Depreciation of tangible fixed assets	5	14
Directors' emoluments (note 6)	3,280	2,631
Rental of premises	0	0

5. TAXATION ON LOSS ON ORDINARY ACTIVITIES

	<i>Year ended 31 December 2000 £'000</i>	<i>Year ended 31 December 1999 £'000</i>
Group relief receivable	307	361

There were no unprovided deferred tax liabilities.

6. DIRECTORS' EMOLUMENTS

Certain directors of the Company are also directors of other affiliated companies.

The proportion of the emoluments paid to directors in respect of services to this Company are shown below.

	<i>Year ended 31 December 2000 £'000</i>	<i>Year ended 31 December 1999 £'000</i>
Emoluments	3,280	2,631
	<i>No.</i>	<i>No.</i>
Members of defined benefit pension scheme	4	4

The emoluments of the highest paid director including pension contributions were £697,060 (1999 - £661,744).

NOTES TO THE ACCOUNTS

at 31 December 2000

7. STAFF COSTS

The Company did not have any direct employees during the year (1999 - none) but incurred charges in respect of staff costs from the ABN AMRO Management Services Limited. No directors' emoluments were paid by the Company, but charges were incurred in respect of the directors' services.

8. TANGIBLE FIXED ASSETS

	<i>Fixtures and fittings £'000</i>	<i>Total £'000</i>
Cost:		
At 1 January 2000	171	171
Disposals	0	0
At 31 December 2000	<u>171</u>	<u>171</u>
Depreciation:		
At 1 January 2000	167	167
Charge for year	5	5
Disposals	0	0
At 31 December 2000	<u>172</u>	<u>172</u>
Net book value:		
At 31 December 2000	<u>0</u>	<u>0</u>
At 31 December 1999	<u>5</u>	<u>5</u>

9. FIXED ASSET INVESTMENTS

	<i>2000 £'000</i>	<i>1999 £'000</i>
Cost:		
At 1 January	3,075	2,075
Additions	0	1,000
Disposals	(3,075)	0
At 31 December	<u>0</u>	<u>3,075</u>

The investment held at 31 December 1999 represented 61% of the equity, consisting of ordinary shares, of ABN AMRO Fund Managers Limited. The remaining £2m share capital of ABN AMRO Fund Managers Limited was held by ABN AMRO Asset Management (Holdings) Limited. The investment was sold to ABN AMRO Asset Management (Holdings) Limited on 1 January 2000 at cost.

NOTES TO THE ACCOUNTS

at 31 December 2000

10. DEBTORS

	2000 £'000	1999 £'000
Trade debtors	1,528	930
Other debtors	89	89
Amounts owed from fellow subsidiary undertakings	225	0
Corporation tax recoverable	5	5
Prepayments and accrued income	3,889	194
Advance corporation tax recoverable	25	25
Group relief receivable	902	949
	<u>6,663</u>	<u>2,192</u>

11. CREDITORS: amounts falling due within one year

	2000 £'000	1999 £'000
Amounts owed to fellow subsidiary undertakings	9,020	1,757
Accruals and deferred income	3,831	1,540
Value added tax	21	162
Corporation tax	0	0
	<u>12,872</u>	<u>3,459</u>

12. CALLED UP SHARE CAPITAL

	2000 £'000	1999 £'000
Authorised:		
10,000,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid:		
6,078,866 (1999 - 6,078,866) ordinary shares of £1 each	<u>6,079</u>	<u>6,079</u>

NOTES TO THE ACCOUNTS

at 31 December 2000

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<i>Share Capital £000</i>	<i>Share Premium £000</i>	<i>Profit and loss account £000</i>	<i>Total £000</i>
At 1 January 1999	4,079	184	(779)	3,484
Loss for the year	0	0	(835)	(835)
New shares issued	2,000	0	0	2,000
At 31 December 1999	6,079	184	(1,614)	4,649
Profit for the year	0	0	(718)	(718)
New shares issued	0	0	0	0
At 31 December 2000	6,079	184	(2,332)	3,931

14. ULTIMATE PARENT UNDERTAKING

On 1 January 2000, the Company's immediate parent company, ABN AMRO Equities Holdings (UK) Limited sold its investment in the Company to ABN AMRO Asset Management (Holdings) Limited for net asset value. Both companies are registered in England and Wales.

The ultimate parent undertaking which presents group accounts in which the company is included is ABN AMRO Holding N.V., a company incorporated in The Netherlands. Group accounts are available from ABN AMRO Bank N.V., Gustav Mahlerlaan 10, 1082PP, Amsterdam, The Netherlands.

15. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption from disclosure of transactions with group companies contained in Financial Reporting Standard No.8: Related Party Disclosures.

16. CASH FLOW STATEMENT

Cash flows of the Company are included in the consolidated cash flow statement of ABN AMRO Holding N.V. and consequently, the Company is exempt under the terms of Financial Reporting Standard No.1 (Revised) from publishing a cash flow statement.

17. CORPORATE RESTRUCTURE

A corporate restructuring project was completed on 1 January 2000 which resulted in the following changes : The Company was sold by its parent, ABN AMRO Equities Holdings (UK) Limited to ABN AMRO Asset Management (Holdings) Limited via a share for share exchange for the nominal share capital of the Company. ABN AMRO Asset Management (Holdings) Limited is registered in England and Wales and is a direct subsidiary of ABN AMRO Equities Holdings (UK) Limited.

The Company sold its subsidiary, ABN AMRO Fund Managers Limited, to ABN AMRO Asset Management (Holdings) Limited at fair value (£3.5 million) for cash consideration.

The Company purchased the business of a fellow subsidiary, ABN AMRO Asset Management (Fixed Income) Limited. The cash consideration is equivalent to the net asset value of the company at 31 December 1999.