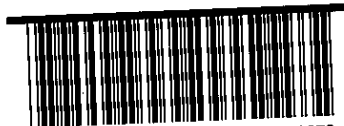


BRITANNIC GP LIMITED
(FORMERLY BRITANNIC LAS INVESTMENT MANAGEMENT LIMITED)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

COMPANY REGISTRATION NUMBER SCO86806



SCT SYMAZAO 0076
COMPANIES HOUSE 21/05/02

**BRITANNIC GP LIMITED
(FORMERLY BRITANNIC LAS INVESTMENT MANAGEMENT LIMITED)
REPORT BY THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2001**

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company's principal activity is as the general partner of Blairlogie Capital Management Limited which it became on 3 December 2001. The company had not traded since 1 January 1994.

FINANCIAL STATEMENTS

The audited financial statements together with relevant notes and report of the auditors are shown on pages 4 to 9.

SIGNIFICANT EVENTS

On 17 August 2001 the Company changed its name from Britannic LAS Investment Management Limited to Britannic GP Limited.

On 3 December 2001 the Company acquired the general partners interest in Blairlogie Capital Management Limited from ABN Amro and commenced trading in this capacity.

DIRECTORS AND THEIR INTERESTS

No Director held any beneficial interest in the share capital of the Company or any group Company.

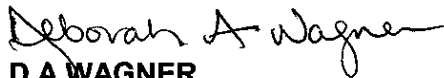
L McIntosh	MSI - Director (Appointed 17 August 2001)
F Ghiloni	BSc, FFA - Director (Appointed 17 August 2001)
P Reid	MA, AII MR - Director (Appointed 17 August 2001)
D O'Neil	BSc, FFA - Director (Appointed 21 August 2001)
H Cottam	FCA - Director (Appointed 21 August 2001)
E Mirner	BAcc, CA (Resigned 17 August 2001)
J Nickson	Bcomm, FCA, ACII (Resigned 17 August 2001)

**BRITANNIC GP LIMITED
(FORMERLY BRITANNIC LAS INVESTMENT MANAGEMENT LIMITED)
REPORT BY THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2001**

AUDITORS

A resolution for the reappointment of KPMG Audit Plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD


D A WAGNER
Secretary

23 April 2002

Registered Office :
Britannic Court
50 Bothwell Street
GLASGOW G2 6HR

**BRITANNIC GP LIMITED
(FORMERLY BRITANNIC LAS INVESTMENT MANAGEMENT LIMITED)**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements 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 these 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, subject to any material departures disclosed and explained in the financial statements ;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring appropriate accounting records are kept which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure the financial statements 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
BRITANNIC GP LIMITED
(FORMERLY BRITANNIC LAS INVESTMENT MANAGEMENT LIMITED)
FOR THE YEAR ENDED 31 DECEMBER 2001**

We have audited the financial statements on pages 5 to 9.

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 at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Mc

KPMG Audit Plc
Registered Auditor
Chartered accountants
23 April 2002

24 Blythswood Square
Glasgow
G2 4QS

BRITANNIC GP LIMITED
(FORMERLY BRITANNIC LAS INVESTMENT MANAGEMENT LIMITED)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	<u>2001</u> £'000	<u>2000</u> £'000
Income		-	-
Administrative Expenses	2	<u>(24)</u>	<u>-</u>
Loss on ordinary activities before Taxation	2	(24)	-
Taxation	4	<u>-</u>	<u>-</u>
Loss for the financial year		(24)	-
Transfer (from) / to reserves		<u>(24)</u>	<u>-</u>

Recognised Gains and Losses

The Company has no recognised gains or losses for the current year other than those detailed above.

The notes on pages 7 to 9 are an integral part of these financial statements.

BRITANNIC GP LIMITED
(FORMERLY BRITANNIC LAS INVESTMENT MANAGEMENT LIMITED)
BALANCE SHEET
AS AT 31 DECEMBER 2001

	<u>Note</u>	<u>2001</u> £'000	<u>2000</u> £'000
INTANGIBLE ASSETS			
Goodwill	5	5,475	-
CREDITORS:			
Amounts falling due within one year		(2,833)	-
NET CURRENT ASSETS		<u>2,642</u>	<u>-</u>
CREDITORS:			
Amounts falling due after more than one year		(2,666)	-
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(24)</u>	<u>-</u>
CAPITAL AND RESERVES :			
Called up Share capital	6	100	100
Profit and Loss Account	7	(124)	(100)
TOTAL SHAREHOLDERS' FUNDS		<u>(24)</u>	<u>-</u>

The financial statements were approved by the Directors on. 23 April 2002

The notes on pages 7 to 9 are an integral part of these financial statements.


L. MCINTOSH **Director**

BRITANNIC GP LIMITED
(FORMERLY BRITANNIC LAS INVESTMENT MANAGEMENT LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES

1.1 Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention in compliance with the Companies Act 1985, and in accordance with applicable Accounting Standards.

1.2 Goodwill

Goodwill is the difference between the amounts paid on the acquisition of a business and the aggregate fair value of its separable net assets. It is capitalised and is written off in equal annual instalments over its estimated economic life.

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Operating loss is stated after charging:

	<u>2001</u> £000	<u>2000</u> £000
Amortisation of Goodwill	<u>24</u>	-

3. EXPENSES OF MANAGEMENT

All of the Directors are Directors of Britannic Investment Managers Limited and details of their emoluments are disclosed in the accounts of that Company.

Auditor's remuneration is borne by Britannic Investment Managers Limited.

4. TAXATION

No taxation charge has arisen in the year.

BRITANNIC GP LIMITED
(FORMERLY BRITANNIC LAS INVESTMENT MANAGEMENT LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001

5. INTANGIBLE FIXED ASSETS

	Goodwill £000
Cost:	
At 1 January 2001	-
Acquired during the year	5,499
As at 31 December 2001	<u>5,499</u>
Amortisation:	
At 1 January 2001	-
Provided during the year	24
At 31 December 2001	<u>24</u>
Net Book Value:	
At 31 December 2001	<u>5,475</u>
At 1 January 2001	<u>-</u>

Goodwill relates to the transaction to acquire from Blairlogie International LLC, a Delaware Limited Liability Company, their 83.15% interest in Blairlogie Capital Management (BCM). BCM is a limited partnership formed on 21 December 1994 under the laws of Scotland. Under the terms of the agreement, Britannic GP Limited is entitled to 99.9% of net income/losses arising in BCM.

The goodwill is being spread evenly over 10 years and for 2001 has been charged on the initial consideration including acquisition costs.

6. CALLED UP SHARE CAPITAL

The authorised and issued share capital of the company at 31 December 2001 and 31 December 2000 consists of :-

	<u>Authorised Number</u>	<u>Issued and Fully Paid Number</u>	<u>£000</u>
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>100</u>

7. PROFIT AND LOSS ACCOUNT

	<u>2001 £000</u>	<u>2000 £000</u>
Balance at 1 January	(100)	(100)
Retained (loss) for year	(24)	-
Balance at 31 December	<u>(124)</u>	<u>(100)</u>

**BRITANNIC GP LIMITED
(FORMERLY BRITANNIC LAS INVESTMENT MANAGEMENT LIMITED)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

8. TRANSACTIONS WITH DIRECTORS AND THEIR RELATED PARTIES

Disclosure of details in respect of H Cottam and R Fortin are disclosed in the accounts of Britannic plc.

The details in respect of all other Directors are disclosed in the accounts of Britannic Investment Managers Limited and Britannic Fund Managers Limited.

9. RELATED PARTY DISCLOSURE

Under Financial Reporting Standard 8, companies which are wholly owned subsidiaries of a parent whose consolidated financial statements in which the subsidiaries' results are included are publicly available, are granted exemption from disclosing inter-group transactions. The company is such a subsidiary undertaking and accordingly has not disclosed such transactions.

10. ULTIMATE PARENT UNDERTAKING

The Company's immediate parent undertaking is Britannic Investment Management Limited which is a body incorporated in Scotland.

The Company's ultimate parent undertaking is Britannic plc, which is a body registered in England. These financial statements have been included in the consolidated financial statements of Britannic plc.

A copy of the financial statements of Britannic plc is available from :-

1 Wythall Green Way
Wythall, Birmingham
B47 6WG