

STANDARD LIFE INVESTMENTS
(CORPORATE FUNDS) LIMITED

**REPORT AND ACCOUNTS
FOR THE PERIOD ENDED
31 DECEMBER 2004**



REPORT AND ACCOUNTS**STANDARD LIFE INVESTMENTS (CORPORATE FUNDS) LIMITED**

Directors : D T Cumming, MA
W R Littleboy, BA (Hons) MA
N K Skeoch, BA(Hons) MA MSI (Chief Executive)
A P Watt, FRICS

Secretary : V J O'Brien, ACII

STANDARD LIFE INVESTMENTS (CORPORATE FUNDS) LIMITED**REPORT BY THE DIRECTORS**

The directors submit their Report and Accounts for the period ended 31 December 2004.

Annual General Meeting

As permitted by Section 366A of the Companies Act 1985, the Company has passed an elective resolution to dispense with the holding of annual general meetings.

Change of year end date and comparative figures

The Company has changed its year end from 15 November to 31 December, and consequently these accounts cover the thirteen and a half month period from 16 November 2003 to 31 December 2004. The comparative figures presented within the accounts are for the year ended 15 November 2003.

Result and dividend

The Company made a profit for the period ended 31 December 2004 of £23,529 (2003 - loss of £1,027).

The directors do not recommend the payment of a dividend. The profit for the period has been taken to reserves. The directors consider the results satisfactory.

Principal activities and business review

The principal activity of the Company is to provide investment management services to other companies in the Standard Life Group and to third parties.

Directors and their interests

The names of the current directors of the Company are shown on page 1.

A M Crombie resigned as a director of the Company on 28 January 2004.

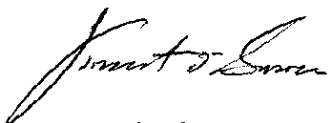
D T Cumming was appointed as a director on 24 January 2005.

The appointment of directors is not subject to retirement by rotation. None of the directors has a beneficial interest in the shares of the Company, which is a wholly owned subsidiary of Standard Life Investments Limited.

Auditors

The auditors, PricewaterhouseCoopers LLP, Chartered Accountants, are willing to continue in office.

On behalf of the Board of Directors



V J O'Brien, Secretary

Edinburgh, 28 February 2005

STANDARD LIFE INVESTMENTS (CORPORATE FUNDS) LIMITED**DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts for each financial period which comply with the Companies Act 1985 and give a true and fair view of the state of affairs of the Company and of the results of the Company for that period. In addition, the directors should take all reasonable steps to ensure that adequate accounting records are maintained, that the assets of the Company are safeguarded and that fraud and other irregularities are prevented or detected.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and appropriate judgements and estimates, have been used in the preparation of the accounts of the Company for the period ended 31 December 2004. The directors also confirm that the accounts have been appropriately prepared on a going concern basis and that applicable accounting standards have been followed as described in the Accounting Policies.

STANDARD LIFE INVESTMENTS (CORPORATE FUNDS) LIMITED

PROFIT AND LOSS ACCOUNT

for the period ended 31 December 2004

	Note	16 Nov 03 - 31 Dec 04 £	16 Nov 02 - 15 Nov 03 £
Turnover	2	3,861,238	1,538,360
Administrative expenses	4	(3,861,238)	(1,573,064)
Operating result		-	(34,704)
Interest receivable and similar income		33,789	34,010
Interest payable and similar charges		(177)	(773)
Profit/(loss) on ordinary activities before taxation		33,612	(1,467)
Tax on profit/(loss) on ordinary activities	7	(10,083)	440
Profit/(loss) on ordinary activities after taxation		23,529	(1,027)
Balance brought forward		100,133	101,160
Balance carried forward		123,662	100,133

There are no recognised gains or losses other than the result for the period.

The result for the period relates wholly to continuing activities.

STANDARD LIFE INVESTMENTS (CORPORATE FUNDS) LIMITED
BALANCE SHEET
as at 31 December 2004

	Note	31 Dec 04 £	15 Nov 03 £
CURRENT ASSETS			
Debtors	8	553,456	273,770
Cash at bank and in hand		652,633	864,341
		<u>1,206,089</u>	<u>1,138,111</u>
CURRENT LIABILITIES			
Creditors: <i>Amounts falling due within one year</i>	9	(182,427)	(137,978)
NET ASSETS		<u>1,023,662</u>	<u>1,000,133</u>
CAPITAL AND RESERVES			
Called up share capital	10	900,000	900,000
Profit and loss account		123,662	100,133
TOTAL SHAREHOLDER'S FUNDS	11	<u>1,023,662</u>	<u>1,000,133</u>

The accounts on pages 4 to 8 were approved by the Board of Directors on 28 February 2005 and were signed on its behalf by:



N K Skeoch, Chief Executive

Edinburgh, 28 February 2005

STANDARD LIFE INVESTMENTS (CORPORATE FUNDS) LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) Accounting convention

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

(b) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

2. TURNOVER

Turnover is primarily derived from the provision of investment management services to other companies in the Standard Life Group and to third parties.

3. SEGMENTAL REPORTING

	UK £	Europe £	USA £	Total £
Turnover				
16 Nov 03 - 31 Dec 04	3,313,547	296,056	251,635	3,861,238
16 Nov 02 - 15 Nov 03	1,431,552	106,808	-	1,538,360
Profit/(loss) before tax				
16 Nov 03 - 31 Dec 04	33,612	-	-	33,612
16 Nov 02 - 15 Nov 03	(1,467)	-	-	(1,467)

4. ADMINISTRATIVE EXPENSES

The Company has no employees (2003 - nil) and is managed by the parent undertaking. Certain administrative expenses are met by the parent and ultimate parent undertakings and are recovered from the Company through administrative and management charges.

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

The profit/(loss) on ordinary activities is stated after charging:

	16 Nov 03 - 31 Dec 04 £	16 Nov 02 - 15 Nov 03 £
Auditors' Remuneration		
Audit Fees	2,575	2,575
Audit-related regulatory reporting	1,675	1,675

6. DIRECTORS' REMUNERATION

No amounts are payable to the directors in respect of their services to the Company (2003 - £nil).

STANDARD LIFE INVESTMENTS (CORPORATE FUNDS) LIMITED

NOTES TO THE ACCOUNTS (Continued)

7. TAXATION

	16 Nov 03 - 31 Dec 04 £	16 Nov 02 - 15 Nov 03 £
Current tax:		
Group relief in respect of current period	<u>(10,083)</u>	<u>440</u>

There are no deferred tax assets or liabilities.

There are no differences between the tax on profit on ordinary activities at the standard UK corporation tax rate (30%) and the Company's actual current tax charge.

8. DEBTORS

	31 Dec 04 £	15 Nov 03 £
Accrued income	549,001	127,174
Amounts due from group undertakings	4,455	145,574
Other debtors	-	1,022
	<u>553,456</u>	<u>273,770</u>

9. CREDITORS - *Amounts falling due within one year*

	31 Dec 04 £	15 Nov 03 £
Amounts due to group undertakings	89,487	131,010
Accruals and deferred income	60,879	3,486
Other creditors	32,061	3,482
	<u>182,427</u>	<u>137,978</u>

Included within 'Amounts due to group undertakings' is an amount of £10,083 (2003 - £440 due from group undertakings) in respect of current period group relief.

10. CALLED UP SHARE CAPITAL

	Authorised 2004 & 2003		Allotted, Called Up and Fully Paid 2004 & 2003	
	No.	£	No.	£
Ordinary Shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>900,000</u>	<u>900,000</u>

STANDARD LIFE INVESTMENTS (CORPORATE FUNDS) LIMITED**NOTES TO THE ACCOUNTS (Continued)****11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**

	16 Nov 03 - 31 Dec 04 £	16 Nov 02 - 15 Nov 03 £
Opening shareholder's funds	1,000,133	1,001,160
Result for the period	23,529	(1,027)
Closing shareholder's funds	<u>1,023,662</u>	<u>1,000,133</u>

12. CASHFLOW STATEMENT

A Cashflow Statement has not been provided. The Company has taken advantage of the exemption contained in Financial Reporting Standard 1 (Revised) "Cashflow Statements", as group accounts in which the Company is included are available.

13. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under Paragraph 3(c) of Financial Reporting Standard 8 from disclosing transactions with other undertakings of the Standard Life Group.

14. PARENT UNDERTAKINGS

The Company is a wholly owned subsidiary of Standard Life Investments Limited. The ultimate parent undertaking is The Standard Life Assurance Company. The accounts of this Company are incorporated in the group accounts of both the parent undertaking and the ultimate parent undertaking.

Copies of the accounts of the parent undertaking can be obtained at 1 George Street, Edinburgh EH2 2LL. Copies of the accounts of the ultimate parent undertaking can be obtained at Standard Life House, 30 Lothian Road, Edinburgh EH1 2DH.

STANDARD LIFE INVESTMENTS (CORPORATE FUNDS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STANDARD LIFE INVESTMENTS (CORPORATE FUNDS) LIMITED

We have audited the accounts which comprise the Profit and Loss Account, Balance Sheet and the notes to the accounts.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the report and the accounts in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the accounts give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the report by the directors is not consistent with the accounts, 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 is not disclosed.

We read the other information contained in the report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. The other information comprises only the report by the directors.

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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the circumstances of the Company, 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 the Company's affairs as at 31 December 2004 and the profit of the Company for the period then ended; and
- the accounts have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Edinburgh, 28 February 2005