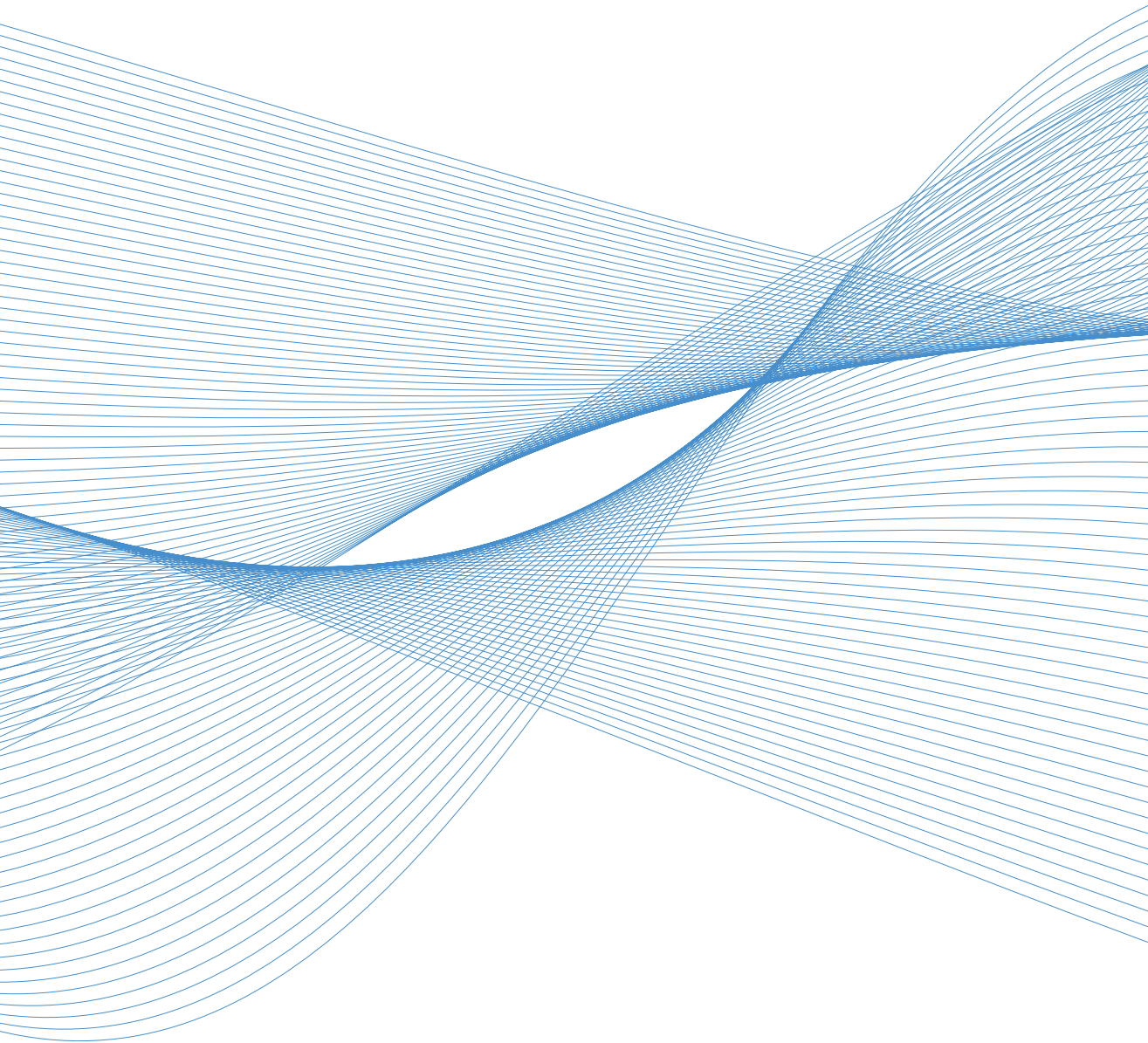


# Law Debenture



From its origins in 1889, Law Debenture has diversified to become a group with a unique range of activities in the financial services sector. The group divides into two distinct complementary areas of business.

### Investment trust

We are a global growth investment trust listed on the London Stock Exchange.

Our portfolio of investments are managed by Henderson Global Investors Limited under a contract terminable by either side on 12 months' notice.

Our objective is to achieve long term capital growth in real terms and steadily increasing income. The aim is to achieve a higher rate of total return than the FTSE Actuaries All-Share Index through investing in a portfolio diversified both geographically and by industry.

### Trustee and related services

We are a leading independent provider of professional trustee, fiduciary and related services (including corporate services and agent for service of process) to the wholesale markets and to occupational pension schemes. We have offices in London, New York, the Channel Islands and the Cayman Islands.

Individuals, companies, agencies and organisations throughout the world rely upon Law Debenture to carry out its duties with the independence upon which its reputation is built.

**Highlights**

	At 30 June 2005 pence	At 30 June 2004 pence	31 December 2004 pence
Share price	<b>262.50</b>	210.00	232.50
NAV per share	<b>251.90</b>	212.73	232.85
NAV per share after proposed dividend	<b>248.80</b>	209.93	228.10
Earnings per share:			
– Investment trust	<b>3.77</b>	2.95	5.06
– Trustee and related services	<b>1.87</b>	1.52	3.51
Group earnings per share	<b>5.64</b>	4.47	8.57
Dividends per share	<b>3.10</b>	2.80	7.55

**Performance to 30 June 2005**

	6 months %	12 months %
Share price	<b>12.9</b>	25.0
NAV total return	<b>10.2</b>	22.0
FTSE All-Share Index total return	<b>8.2</b>	18.7

**International Financial Reporting Standards (IFRS)**

The results for the period have been prepared in accordance with IFRS and the prior periods have been restated to reflect these changes in accordance with IFRS 1, First Time Adoption of IFRS. Details of the changes on the transition are included in our separate document.

### Performance

Over the six months to 30 June 2005, our net asset value total return was 10.2% compared to the FTSE Actuaries All-Share Index total return of 8.2%.

Our gross revenues increased over the prior half year by 18.5% from £15.5 million to £18.4 million. Profit before taxation was £7.3 million, an increase over the previous period of 27.5% as a result of a 28.0% improvement in the investment trust and a 26.9% improvement in trustee and related services. The investment trust benefited from special dividends of £593,000; and trustee and service related businesses continued the improved performance of the second half of 2004. Interest received increased by £331,000 over the previous half year as a result of a reduction in gearing in the investment trust and increased interest rates.

### Earnings and dividends

Earnings per ordinary share for the six months to 30 June 2005 were 5.64p, an increase of 26.2%, a rate of increase which is unlikely to be sustained over the full year. The policy of the company continues to be to seek growth in both capital and income; and the board has declared an interim dividend of 3.1p, which is an increase of 10.7% over the previous interim dividend of 2.8p.

The dividend is payable on 13 September 2005 to shareholders on the register on 12 August 2005. Barring unforeseen circumstances, directors expect to recommend that the final dividend will at least equal that paid in respect of 2004.

### Investment manager's report

During the period, global equity markets made sustained progress in spite of continued difficulties on several fronts. The oil price has continued its upward movement and with it has brought concerns over inflation, as well as industrial slowdown. The US trade and fiscal deficits remain substantial. Nevertheless, global equity investors have focused on the strengths of the underlying companies. Corporate cash generation is substantial. Share owners are benefiting from large share buyback programmes and increased commitments to real dividend growth. In the UK, dividends have increased by approximately 8% over the last year. This is expected to continue next year and underpins our confidence in this area. The cash generation from companies is also resulting in a flow of takeover activity. The portfolio benefited from Aggregates Industries and Mersey Docks receiving bid approaches.

The overseas portfolio is intended to provide exposure to areas of investment with attractive features which cannot be easily found in the UK.

### Trustee and related services

Trustee and related services increased revenue by 17.0% as a result of increased activity in company restructurings and continued growth in most other areas of the business.

Law Debenture continues to be involved in a wide variety of capital markets transactions, from the successful restructuring in January of the British Energy bonds (where Law Debenture acts as both trustee and, through our Jersey office, as distribution agent) to a number of capital raising exercises for issuers such as Euroclear Bank, NIB Capital, and the Swedish utility, Vattenfall. Stand alone issues for UK financial institutions included Clerical Medical, Friends Provident and Lloyds TSB. We have also acted as administrator on perpetual bond issues by UK registered limited partnerships for Bank of Ireland, DEPFA Bank, Investec and Lehman Brothers.

There has been continued activity, including court cases during the year, in connection with bonds issued by a finance subsidiary of the Polish industrial conglomerate, Elektrim S.A., for which Law Debenture is trustee. It is anticipated that there will be further activity in 2005 on this and certain other matters. In all cases, we work closely with our legal advisers to endeavour to protect the interests of the bondholders. Although the trustee is legally entitled to recover its costs, we are not always able to do so.

Our corporate services business is now well established. It continues to win appointments primarily in the structured finance market place and is performing ahead of our expectations.

Our pension trustee business has had a strong flow of enquiries in the current year resulting in a number of new appointments. The establishment of the new Pensions Regulator is likely to raise awareness of the responsibilities of pension trustees and lead to an increase in the demand for professional pension trustee services.

Our New York office has had a good six months. Corporate services has shown a significant improvement over the previous period and improved name recognition in the trustee market has resulted in several appointments to high yield corporate transactions in South America and Europe.

The Hong Kong market continues to see rising levels of activity, buoyed by the improving stock and property markets, and better business confidence.

## 4 Group income statement

for the period ended 30 June 2005 (unaudited)

	30 June 2005			30 June 2004		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
UK dividends	4,909	–	4,909	4,404	–	4,404
UK special dividends	135	–	135	25	–	25
Overseas dividends	983	–	983	1,039	–	1,039
Overseas special dividends	458	–	458	–	–	–
Interest from securities	52	–	52	168	–	168
	<b>6,537</b>	–	<b>6,537</b>	5,636	–	5,636
Bank deposit interest	542	–	542	211	–	211
Trustee and other related fees	11,279	–	11,279	9,626*	–	9,626*
Other income	63	–	63	66	–	66
<b>Total revenue</b>	<b>18,421</b>	–	<b>18,421</b>	15,539	–	15,539
Net gain on investments held at fair value through profit or loss	–	21,461	21,461	–	6,896	6,896
<b>Gross income and capital gains</b>	<b>18,421</b>	<b>21,461</b>	<b>39,882</b>	15,539	6,896	22,435
Cost of sales	(3,365)	–	(3,365)	(2,275)*	–	(2,275)*
Administrative expenses	(6,491)	(133)	(6,624)	(6,285)	(94)	(6,379)
<b>Operating profit</b>	<b>8,565</b>	<b>21,328</b>	<b>29,893</b>	6,979	6,802	13,781
Finance costs						
Interest payable	(1,226)	–	(1,226)	(1,225)	–	(1,225)
<b>Profit before taxation</b>	<b>7,339</b>	<b>21,328</b>	<b>28,667</b>	5,754	6,802	12,556
Taxation	(733)	–	(733)	(514)	–	(514)
<b>Profit for period</b>	<b>6,606</b>	<b>21,328</b>	<b>27,934</b>	5,240	6,802	12,042
<b>Earnings per ordinary share (pence)</b>	<b>5.64</b>	<b>18.21</b>	<b>23.85</b>	4.47	5.81	10.28
Diluted earnings per ordinary share (pence)	5.63	18.21	23.84	4.47	5.81	10.28

\* Restated to include legal expenses as turnover and cost of sales.

### Statement of total recognised income and expense

for the period ended 30 June 2005 (unaudited)

	30 June 2005			30 June 2004		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
<b>Profit for the financial period</b>	<b>6,606</b>	<b>21,328</b>	<b>27,934</b>	5,240	6,802	12,042
<b>Foreign exchange gains</b>	<b>27</b>	–	<b>27</b>	–	–	–
<b>Total income and expenses relating to the period</b>	<b>6,633</b>	<b>21,328</b>	<b>27,961</b>	5,240	6,802	12,042

## Group net assets

	30 June 2005 (unaudited) £000	30 June 2004 (unaudited) £000	31 December 2004 (audited) £000
<b>Assets</b>			
<b>Non current assets</b>			
Property, plant and equipment	808	926	855
Intangible assets	147	272	193
Investments held at fair value through profit or loss	330,380	284,661	304,100
Other assets	5	7	7
Deferred tax assets	2,208	1,684	2,239
<b>Total non current assets</b>	<b>333,548</b>	<b>287,550</b>	<b>307,394</b>
<b>Current assets</b>			
Trade and other receivables	6,835	5,870	5,624
Other accrued income and prepaid expenses	2,549	2,652	1,680
Other current assets	10	55	49
Cash and cash equivalents	20,002	18,116	24,333
	<b>29,396</b>	<b>26,693</b>	<b>31,686</b>
<b>Total assets</b>	<b>362,944</b>	<b>314,243</b>	<b>339,080</b>
<b>Current liabilities</b>			
Trade and other payables	7,346	5,580	5,667
Short term borrowings	144	139	144
Current tax payable	778	722	898
Deferred Income	4,508	4,474	4,240
<b>Total current liabilities</b>	<b>12,776</b>	<b>10,915</b>	<b>10,949</b>
<b>Non current liabilities and deferred income</b>			
Long term borrowings	39,216	39,191	39,204
Retirement benefit obligations	7,348	5,613	7,348
Deferred tax	–	74	47
Deferred Income	8,537	9,516	9,018
<b>Total non current liabilities</b>	<b>55,101</b>	<b>54,394</b>	<b>55,617</b>
<b>Total net assets</b>	<b>295,067</b>	<b>248,934</b>	<b>272,514</b>

## 6 Cash flow statement

for the period ended 30 June 2005 (unaudited)

	30 June 2005 £000	31 December 2004 £000	30 June 2004 £000
<b>Operating activities</b>			
Cash generated from operating activities	7,900	14,412	7,400
Taxation	(726)	(236)	31
Interest paid	(1,226)	(2,456)	(1,224)
<b>Operating cash flow</b>	<b>5,948</b>	<b>11,720</b>	<b>6,207</b>
<b>Investing activities</b>			
Capital expenditure	(19)	(37)	(23)
Expenditure on intangible assets	(4)	(20)	(13)
Purchase of investments	(29,144)	(49,917)	(23,844)
Sale of investments	24,269	56,444	26,197
Other movements	–	1	–
<b>Cash flow from investing activities</b>	<b>(4,898)</b>	<b>6,471</b>	<b>2,317</b>
<b>Financing activities</b>			
Dividends paid	(5,571)	(8,238)	(4,961)
Proceeds of increase in share capital	199	507	508
Purchase of own shares	(36)	(360)	(360)
<b>Net cash flow from financing activities</b>	<b>(5,408)</b>	<b>(8,091)</b>	<b>(4,813)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(4,358)</b>	<b>10,100</b>	<b>3,711</b>
Cash and cash equivalents at beginning of period	24,189	14,266	14,266
Exchange gains/(losses) on cash and cash equivalents	27	(177)	–
<b>Cash and cash equivalents at end of period</b>	<b>19,858</b>	<b>24,189</b>	<b>17,977</b>
<b>Cash and cash equivalents comprise</b>			
Cash and cash equivalents at end of period	20,002	24,333	18,116
Bank overdrafts	(144)	(144)	(139)
	<b>19,858</b>	<b>24,189</b>	<b>17,977</b>



by geographical location

	United Kingdom £000	North America £000	Europe £000	Japan £000	Pacific £000	Total £000
Investments at 31 December 2004	223,569	18,942	32,797	9,367	19,425	<b>304,100</b>
Purchases	16,832	8,765	3,547	–	–	<b>29,144</b>
Cost of acquisition	(108)	(16)	(9)	–	–	<b>(133)</b>
Sales proceeds	(10,106)	(5,638)	(8,419)	–	(106)	<b>(24,269)</b>
Appreciation	15,072	1,390	2,817	78	2,181	<b>21,538</b>
<b>Valuation at 30 June 2005</b>	<b>245,259</b>	<b>23,443</b>	<b>30,733</b>	<b>9,445</b>	<b>21,500</b>	<b>330,380</b>
<b>Per cent of total</b>	<b>74.2</b>	<b>7.1</b>	<b>9.3</b>	<b>2.9</b>	<b>6.5</b>	<b>100.0</b>

## By sector

(excluding cash)

	As at 30 June 2005	As at 31 December 2004
Resources	<b>12.3</b>	11.5
Basic industries	<b>7.4</b>	8.2
General industrials	<b>5.3</b>	6.0
Cyclical consumer goods	<b>1.3</b>	0.4
Non-cyclical consumer goods	<b>14.9</b>	15.4
Cyclical services	<b>15.8</b>	15.4
Non-cyclical services	<b>5.6</b>	4.7
Utilities	<b>3.4</b>	3.2
Information technology	<b>1.0</b>	0.7
Financials	<b>33.0</b>	34.5
	<b>100.0</b>	100.0

## 8 Statement of changes in equity

	Share capital £000	Share premium £000	Share based payment £000
Balance at 1 January 2005	5,875	7,026	63
Net profit	–	–	–
Foreign exchange	–	–	–
Total income and expenditure	5,875	7,026	63
Issue of shares	6	193	–
Dividend relating to 2004	–	–	–
Movement in own shares	–	–	–
<b>Total equity shareholders' funds at 30 June 2005</b>	<b>5,881</b>	<b>7,219</b>	<b>63</b>

## Segmental analysis

	Investment trust		
	30 June 2005 £000	30 June 2004 £000	31 December 2004 £000
Segment revenue	<b>6,537</b>	5,636	10,015
Cost of sales	–	–	–
Administration costs	<b>(868)</b>	(723)	(1,487)
	<b>5,669</b>	4,913	8,528
Interest (net)	<b>(1,107)</b>	(1,348)	(2,450)
Profit for the period before taxation	<b>4,562</b>	3,565	6,078
Taxation	<b>(143)</b>	(116)	(153)
<b>Profit for the period</b>	<b>4,419</b>	3,449	5,925
Earnings per share	<b>3.77</b>	2.95	5.06

\* Restated to include legal expenses as turnover and cost of sales.

Own shares £000	Capital redemption £000	Foreign exchange £000	Other reserves £000	Retained earnings £000	Total 2005 £000
(927)	8	(177)	245,033	15,613	272,514
–	–	–	21,328	6,606	27,934
–	–	27	–	–	27
(927)	8	(150)	266,361	22,219	300,475
–	–	–	–	–	199
–	–	–	–	5,571	(5,571)
(36)	–	–	–	–	(36)
<b>(963)</b>	<b>8</b>	<b>(150)</b>	<b>266,361</b>	<b>16,648</b>	<b>295,067</b>

Trustee and related services			Total		
30 June 2005 £000	30 June 2004 £000	31 December 2004 £000	30 June 2005 £000	30 June 2004 £000	31 December 2004 £000
<b>11,342</b>	9,692*	19,892*	<b>17,879</b>	15,328*	29,907*
<b>(3,365)</b>	(2,275)*	(4,983)*	<b>(3,365)</b>	(2,275)*	(4,983)*
<b>(5,623)</b>	(5,562)	(10,449)	<b>(6,491)</b>	(6,285)	(11,936)
<b>2,354</b>	1,855	4,460	<b>8,023</b>	6,768	12,988
<b>423</b>	334	640	<b>(684)</b>	(1,014)	(1,810)
<b>2,777</b>	2,189	5,100	<b>7,339</b>	5,754	11,178
<b>(590)</b>	(398)	(995)	<b>(733)</b>	(514)	(1,148)
<b>2,187</b>	1,791	4,105	<b>6,606</b>	5,240	10,030
<b>1.87</b>	1.52	3.51	<b>5.64</b>	4.47	8.57

## 10 Valuation of investments

as at 30 June 2005

UK unless otherwise stated.

*Holdings shown in italics were acquired after 31 December 2004.*

	£000	%
<b>Resources</b>		
<b>Mining</b>		
BHP Billiton	2,848	0.86
Anglo American	2,156	0.65
Rio Tinto	1,706	0.52
	6,710	2.03
<b>Oil &amp; gas</b>		
BP	15,106	4.57
Shell Transport & Trading	10,845	3.28
BG	3,213	0.97
Total (Fra)	2,673	0.81
Exxon Mobil (USA)	1,279	0.39
Schlumberger (USA)	816	0.25
	33,932	10.27
<b>Basic industries</b>		
<b>Chemicals</b>		
BOC	2,008	0.61
ICI	1,773	0.54
<i>Praxair (USA)</i>	832	0.25
	4,613	1.40
<b>Construction &amp; building materials</b>		
Alfred McAlpine	5,580	1.69
Redrow	3,735	1.13
Hanson	2,410	0.73
ACS Actividades Construccion (Spain)	2,344	0.71
Wolseley	1,761	0.53
BPB	1,054	0.32
CRH (Ireland)	741	0.22
<i>Marshalls</i>	446	0.13
	18,071	5.46
<b>Forestry &amp; paper</b>		
Smith (DS)	1,752	0.53
	1,752	0.53
<b>General industrials</b>		
<b>Aerospace &amp; defence</b>		
Rolls Royce	2,870	0.87
Smiths	2,757	0.83
	5,627	1.70

	£000	%
<b>Electronic &amp; electrical equipment</b>		
TT Electronics	2,730	0.83
General Electric (USA)	1,217	0.37
Tyco (USA)	617	0.19
	4,564	1.39
<b>Engineering &amp; machinery</b>		
Senior	2,300	0.70
Tomkins	1,569	0.47
Morgan Crucible	1,029	0.31
Renold	1,025	0.31
Weir Group	806	0.24
Charter	638	0.19
	7,367	2.22
<b>Cyclical consumer goods</b>		
<b>Automobiles &amp; parts</b>		
GKN	1,290	0.39
	1,290	0.39
<b>Household goods &amp; textiles</b>		
<i>Alba</i>	1,850	0.56
<i>Nike (USA)</i>	1,034	0.31
	2,884	0.87
<b>Non-cyclical consumer goods</b>		
<b>Beverages</b>		
Diageo	3,948	1.19
Scottish & Newcastle	2,316	0.70
Allied Domecq	2,228	0.67
Pepsico (USA)	1,053	0.32
	9,545	2.88
<b>Food producers &amp; processors</b>		
Unilever	2,688	0.81
Cadbury Schweppes	1,944	0.59
Nestlé (Switz)	1,921	0.58
Premier Foods	1,066	0.32
	7,619	2.30

	£000	%
<b>Health</b>		
Smith & Nephew	2,585	0.78
Fresenius (Ger)	2,533	0.77
Medtronic (USA)	1,021	0.31
Abbott Laboratories (USA)	826	0.25
Bard (USA)	597	0.18
	7,562	2.29
<b>Personal care &amp; household products</b>		
Reckitt Benckiser	2,466	0.75
	2,466	0.75
<b>Pharmaceuticals &amp; biotech</b>		
GlaxoSmithKline	9,862	2.99
Altana (Ger)	1,676	0.51
Novartis (Switz)	1,646	0.50
<i>Shire Pharmaceuticals</i>	1,223	0.37
	14,407	4.37
<b>Tobacco</b>		
British American Tobacco	5,272	1.60
Gallaher	2,401	0.73
	7,673	2.33
<b>Cyclical services</b>		
<b>General retailers</b>		
GUS	3,082	0.93
Boots	1,460	0.44
Inditex (Spain)	1,149	0.35
Dixons	1,066	0.32
Peacock	1,016	0.31
CVS (USA)	908	0.27
Avon Products (USA)	682	0.21
	9,363	2.83
<b>Leisure &amp; hotels</b>		
Greene King	3,048	0.92
Hilton	2,402	0.73
Carnival	1,706	0.52
Carnival (USA)	1,103	0.33
Intercontinental Hotels	1,015	0.31
Whitbread	817	0.25
Mytravel 7% Conv. Bond	326	0.10
Mytravel	26	0.01
Mytravel Warrants	2	0.00
	10,445	3.17

	£000	%
<b>Media &amp; entertainment</b>		
BSkyB	2,635	0.80
Reuters	2,568	0.78
EMI	2,540	0.77
Reed Elsevier	2,352	0.71
Johnston Press	1,920	0.58
<i>Pearson</i>	1,640	0.50
Donnelley (USA)	850	0.26
	14,505	4.40
<b>Support services</b>		
Johnson Service	2,270	0.69
Deutsche Post (Ger)	1,759	0.53
<i>Laing (John)</i>	1,680	0.51
Adecco (Switz)	1,652	0.50
Compass	938	0.28
Xerox (USA)	531	0.16
<i>Laing (John) RTS</i>	72	0.02
	8,902	2.69
<b>Transport</b>		
BAA	1,674	0.51
AP Moller-Maersk (Den)	1,625	0.49
Mersey Docks & Harbour	1,457	0.44
Go-Ahead	1,355	0.41
Wincanton	1,184	0.36
Avis Europe	552	0.17
<i>PD Ports</i>	535	0.16
P & O	475	0.14
	8,857	2.68
<b>Non-cyclical services</b>		
<b>Food &amp; drug retailers</b>		
Tesco	3,825	1.16
Sainsbury	623	0.19
	4,448	1.35

## 12 Valuation of investments

continued

	£000	%
<b>Telecommunications services</b>		
Vodafone	4,080	1.23
BT	2,987	0.90
<i>Cable &amp; Wireless</i>	1,490	0.45
Colt Telecom 7.625% 15 DEC 2009	1,335	0.40
<i>Portugal Telecom (Portugal)</i>	1,126	0.34
Colt Telecom 7.625% 31 JUL 2008	859	0.26
<i>Sprint (USA)</i>	770	0.23
<i>American Tower (USA)</i>	703	0.21
<i>Inmarsat</i>	550	0.17
<i>Sonus Network (USA)</i>	266	0.08
	14,166	4.27

### Utilities

<b>Electricity</b>		
Scottish & Southern Energy	2,026	0.61
National Grid Transco	2,002	0.61
Scottish Power	1,537	0.47
<i>Exelon (USA)</i>	687	0.21
	6,252	1.90

### Utilities, other

Severn Trent	2,330	0.71
United Utilities	1,747	0.53
United Utilities A shares	970	0.29
	5,047	1.53

### Information technology

<b>Information technology hardware</b>		
EMC (USA)	1,194	0.36
Apple Computer (USA)	762	0.23
	1,956	0.59
<b>Software &amp; computer services</b>		
Microsoft (USA)	805	0.24
<i>Symantec (USA)</i>	497	0.15
	1,302	0.39

### Financials

<b>Banks</b>		
HSBC	9,805	2.97
Royal Bank of Scotland	6,913	2.09
Barclays	5,555	1.68
HBOS	5,332	1.61
Lloyds TSB	4,255	1.29
Alliance & Leicester	2,884	0.87

	£000	%
BNP Paribas (Fra)	1,838	0.56
Standard Chartered	1,836	0.56
Deutsche Postbank (Ger)	1,716	0.52
Fortis (Neth)	1,701	0.51
ABN Amro (Neth)	1,620	0.49
Citigroup (USA)	1,093	0.33
Wachovia (USA)	819	0.25
	45,367	13.73

### Insurance

<i>Jardine Lloyd Thompson</i>	2,049	0.62
Wellington Underwriting	1,890	0.57
Hiscox	1,645	0.50
	5,584	1.69

### Life assurance

Aviva	2,548	0.77
Friends Provident	2,373	0.72
Prudential	2,200	0.67
Legal & General	2,070	0.63
Old Mutual	1,948	0.59
Britannic	1,373	0.42
	12,512	3.80

### Investment companies

Henderson Pacific Capital		
Growth (Pacific)	21,500	6.51
Henderson Japan Capital		
Growth (Japan)	9,445	2.86
International Inc Fund	26	0.01
	30,971	9.38

### Real estate

Hammerson	2,663	0.81
Land Securities	2,083	0.63
Slough Estates	2,080	0.63
Unibail (Fra)	2,035	0.62
<i>CB Richard Ellis (USA)</i>	1,082	0.33
	9,943	3.02

### Speciality & other finance

Provident Financial	2,154	0.65
Deutsche Borse (Ger)	935	0.28
First Marblehead (USA)	821	0.25
CIT Group (USA)	578	0.17
	4,488	1.35

1. These are not statutory accounts in terms of section 240 of the Companies Act and are unaudited. The figures and financial information for the year end 31 December 2004 have been extracted from the 2004 report and accounts (as adjusted under IFRS), which have been filed with the Registrar of Companies. Those accounts included an unqualified auditors' report and did not contain a statement under section 237 of the Companies Act 1985.
2. The calculations of NAV and earnings per share are based on:  
NAV: actual shares in issue at end of period 117,119,556 (2004: 117,018,396)  
Income: average shares in issue during the period 117,134,669 (2004: 117,097,964)

