British & American Investment Trust PLC

Interim Report

30 June 2006

Contents

Directors

J. Anthony V. Townsend *(Chairman)*
Jonathan C. Woolf *(Managing Director)*
Dominic G. Dreyfus *(Non-executive)*
Ronald G. Paterson *(Non-executive)*

Registered number: 433137

Registered Office

Wessex House, 1 Chesham Street, London SW1X 8ND

website: www.baitgroup.co.uk

Member of the Association of Investment Trust Companies (AITC)

Group Financial Highlights

For the six months ended 30 June 2006

	Unaudited 6 months to 30 June 2006 £'000	Unaudited 6 months to 30 June 2005 £'000	Audited Year ended 31 December 2005 £'000
Revenue			
Return before tax	**1,360**	1,068	1,759
Earnings per £1 ordinary shares – basic (note 4)	**4.70p**	3.55p	5.41p
Earnings per £1 ordinary shares – diluted (note 4)	**3.86p**	3.03p	4.86p
Capital			
Total equity	**43,170**	39,954	42,765
Revenue reserve (note 7)	**2,414**	2,660	2,300
Capital reserve – realised (note 7)	**15,343**	14,693	15,141
Capital reserve – unrealised (note 7)	**(9,837)**	(12,399)	(9,676)
Net assets per ordinary share (note 5)			
– Basic	**£1.33**	£1.20	£1.31
– Diluted	**£1.23**	£1.14	£1.22
Diluted net assets per ordinary share at 25 September 2006	**£1.24**		
Dividends*			
Dividend per ordinary share (note 3)	**2.5p**	2.3p	5.55p
Special dividend per ordinary share (note 3)	**1.0p**	1.0p	1.0p
Dividend per preference share (note 3)	**1.75p**	1.75p	3.5p

* Dividends *declared* for the period. Dividends shown in the accounts are, by contrast, dividends *paid or approved* in the period.

Chairman's Statement

I report our results for the 6 months to 30 June 2006.

Revenue

The profit on revenue account before tax amounted to £1.4million (30 June 2005: £1.1 million), an increase of 27 percent. As in the previous year, this increase reflects the receipt of special dividends from a number of our investee companies over the period.

Total profit before taxation, which includes income and both realised and unrealised capital appreciation, was £1.4 million (£3.0 million). The capital element of this total was represented by £0.2 million of realised losses and £0.3 million of unrealised gains. The net profit during the period was therefore composed almost entirely of income return.

The earnings per ordinary share were 4.7 pence on an undiluted basis (3.5 pence) and 3.9 pence on a fully diluted basis (3.0 pence).

Net Assets

Group net assets were £43.2 million (£42.8 million, at 31 December 2005), an increase of 1.0 percent. This compares to an increase over the same six month period of 3.8 percent in the FTSE 100 share and 4.2 percent in the All Share index. This underperformance was principally due to relative declines in the value of our US investments which form a greater part of our portfolio than before together with weakness in the US dollar, as noted more fully below. The net asset value per £1 ordinary share was 133 pence (prior charges deducted at par) and 123 pence on a fully diluted basis.

Dividends

We intend to pay an interim dividend of 2.5 pence per ordinary share on 16 November 2006 to shareholders on the register at 20 October 2006. This represents an increase of 8.7 percent from last year's interim dividend. A preference dividend of 1.75 pence will be paid to preference shareholders on the same date. In addition, we intend to pay a special dividend of 1 penny per ordinary share on 14 December 2006 to shareholders on the register at 20 October 2006 in recognition of the special dividends received from investee companies over the period.

Discount and performance

Our discount has remained relatively stable over the period at between 4 and 8 percent which is in line with the market for smaller size income and growth investment trusts. However, our yield at approximately 5 percent (excluding special dividends) is considerably higher than most such trusts, which should be helpful in maintaining or even narrowing discount levels in the future.

Our higher levels of dividend distribution have enabled us to out-perform the trusts in the AITC UK Income and Growth sector on share price total return. Over one year we are ranked first of 26 such trusts and over two years we are ranked second.

As at 25 September, group net assets were £43.4 million, an increase of 0.6 percent since 30 June. This compares with a decrease of 0.6 percent in the FTSE 100 index and an increase of 0.1 percent in the All Share index over the same period, and is equivalent to 134 pence per share (prior charges deducted at par) and 124 pence per share on a fully diluted basis.

Anthony Townsend

Managing Director's Report

Performance

In the six months to 30 June 2006, the UK equity market advanced overall by 4 percent. However, this result masks a considerably more volatile movement, particularly in the second quarter. Prices rose strongly and consistently in the first four months across all sectors lead by the natural resources sector, peaking in early May to register a gain of 8.6 percent since the beginning of the year. Similar growth patterns were seen in equity markets globally including in the leading US stocks, although NASDAQ quoted stocks experienced a lower level of increase by comparison.

In May, a dramatic correction in equity prices occurred over a period of just a few days when the UK equity market fell by 9.2 percent, taking the indices back below their year opening levels. Leading stocks in the US declined similarly but NASDAQ listed stocks declined significantly further. This general correction was not unexpected given the unusually high gains of the previous months and was precipitated by a perception that inflationary trends were returning and the high levels of growth in China which had contributed to unusually large rises in commodity prices and therefore natural resource company stock values, would not continue. Commodity prices fell back accordingly together with natural resource company stock prices, leading the markets down as well given their weightings in the indices. After this rapid correction, the markets stabilised relatively quickly, however, and resumed a pattern of albeit unsteady growth to register an overall gain by the period end.

Our portfolio under-performed the market over the period by 3 percent, despite out-performing in the first quarter. This under-performance in the second quarter was principally due to price weakness in our US investments which tracked the relative declines in the NASDAQ, noted above. In addition, valuations of our US holdings were affected by a significant decline in the US dollar of 7 percent over the period. As noted in previous reports, our under-weighting in oil and commodity stocks may tend to result in a level of capital under-performance in current markets. Furthermore, our increased holdings of US dollar denominated NASDAQ-listed stocks will also give rise to an amount of relative volatility when measured against the UK indices. Since the period end, the portfolio has slightly out-performed the FTSE 100 and All Share indices, as noted above.

Dividends/Total return

As a result of special dividends received during the period, we are able to repeat again this year our special dividend distribution of 1p per share at the interim stage. Together with the interim dividend of 2.5p per share, this results in an income return to shareholders of approximately 3 percent on market price for the half year period. Total portfolio return over the period, after adding back dividends for the period, was 3.3 percent compared to 5.2 percent from the leading stocks index. As noted above, our levels of dividend distribution and discount have enabled us to outperform on the basis of share price total return.

Outlook

The general growth trends seen in most of the developed economies in recent years are expected to continue although at lower levels as resource costs escalate and monetary tightening continues or quickens to offset inflation expectations. Equity markets are expected to remain generally firm but are increasingly vulnerable to external shocks arising from global political and environmental events.

Since June, equity markets have maintained a generally rising trend, despite the political uncertainties in the Middle East over the summer months. UK equities, however, have not regained the year highs registered in the Spring and remain 3 percent below this peak. Our portfolio has performed in line with the UK and US indices over the period.

We will continue to maintain our generalist investment approach in the UK and remain invested in specifically identified stocks in the USA.

Jonathan C Woolf
28 September 2006

Group Investment Portfolio

As at 30 June 2006

Company	Nature of Business	Valuation £'000	Percentage of portfolio %
Prudential plc	Life Assurance	4,890	11.70
Geron Corporation Inc	Biomedical – USA	4,661	11.15
Liberty International plc	Property	4,473	10.70
Electra Private Equity plc	Investment Trust	3,182	7.61
The Alliance Trust plc	Investment Trust	2,935	7.02
RIT Capital Partners plc	Investment Trust	2,901	6.94
Dunedin Income Growth Investment Trust plc	Investment Trust	2,305	5.52
British Assets Trust plc	Investment Trust	1,935	4.63
Lloyds TSB plc	Banks retail	1,594	3.81
St. James Place Capital – Unit Trust	Unit Trust	1,408	3.37
Matrix Chatham Maritime Trust	Enterprise Zone Trust	1,000	2.39
The Scottish American Investment Company plc	Investment Trust	895	2.14
Shires Income plc	Investment Trust	629	1.51
Invesco Income Growth Trust plc	Investment Trust	599	1.43
Georgica Plc	Leisure and hotels	583	1.39
Royal & Sun Alliance Ins. Group PLC – Cumulative Irredeemable Preference	Insurance – Non – Life	519	1.24
Rothschilds Cont Finance PLC – Notes	Financial	508	1.22
Emblaze Systems Ltd	Software and computer services	506	1.21
Speymill Deutsche Immobilien Company plc	Property	480	1.15
Merchants Trust plc	Investment Trust	467	1.12
20 Largest investments		36,470	87.25
Other investments (number of holdings : 66)		5,331	12.75
Total investments		41,801	100.00

Consolidated Income Statement

Six months ended 30 June 2006

		Unaudited 6 months to 30 June 2006		
	Note	Revenue return £'000	Capital return £'000	Total £'000
Investment income	2	**1,510**	**–**	**1,510**
Gains on investments at fair value through profit or loss - unrealised		**–**	**358**	**358**
Realised (losses)/gains on sales		**–**	**(242)**	**(242)**
Other expenses		**(150)**	**(75)**	**(225)**
Profit before tax		**1,360**	**41**	**1,401**
Taxation		**(9)**	**–**	**(9)**
Profit for the period		**1,351**	**41**	**1,392**
Earnings per ordinary share	4			
Basic		**4.7p**	**0.2p**	**4.9p**
Diluted		**3.9p**	**0.1p**	**4.0p**

The total column of this statement is the Group's Income Statement, prepared in accordance with IFRS. The supplementary revenue return and capital return columns are both prepared under guidelines published by the Association of Investment Trust Companies.

All items in the above statement derive from continuing operations.

All income is attributable to the equity holders of the parent company. There are no minority interests.

Unaudited 6 months to 30 June 2005			Audited Year ended 31 December 2005		
Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
1,202	–	1,202	2,032	–	2,032
–	1,764	1,764	–	4,665	4,665
–	275	275	–	618	618
(134)	(66)	(200)	(273)	(139)	(412)
1,068	1,973	3,041	1,759	5,144	6,903
(6)	–	(6)	(57)	–	(57)
1,062	1,973	3,035	1,702	5,144	6,846
3.5p	7.9p	11.4p	5.4p	20.6p	26.0p
3.0p	5.7p	8.7p	4.9p	14.7p	19.6p

Consolidated Statement of Changes in Equity

Six months ended 30 June 2006

	Share capital £'000	Capital reserve - realised £'000	Capital reserve - unrealised £'000	Retained earnings £'000	Total £'000
					Unaudited Six months ended 30 June 2006
Balance at 31 December 2005	35,000	15,141	(9,676)	2,300	42,765
Profit for the period	–	202	(161)	1,351	1,392
Ordinary dividend paid	–	–	–	(812)	(812)
Preference dividend paid	–	–	–	(175)	(175)
Balance at 30 June 2006	35,000	15,343	(9,837)	2,664	43,170

	Share capital £'000	Capital reserve - realised £'000	Capital reserve - unrealised £'000	Retained earnings £'000	Total £'000
					Unaudited Six months ended 30 June 2005
Balance at 31 December 2004	35,000	13,114	(12,793)	2,548	37,869
Profit for the period	–	1,579	394	1,062	3,035
Ordinary dividend paid	–	–	–	(775)	(775)
Preference dividend paid	–	–	–	(175)	(175)
Balance at 30 June 2005	35,000	14,693	(12,399)	2,660	39,954

	Share capital £'000	Capital reserve - realised £'000	Capital reserve - unrealised £'000	Retained earnings £'000	Total £'000
					Audited Year ended 31 December 2005
Balance at 31 December 2004	35,000	13,114	(12,793)	2,548	37,869
Profit for the period	–	2,027	3,117	1,702	6,846
Ordinary dividend paid	–	–	–	(1,600)	(1,600)
Preference dividend paid	–	–	–	(350)	(350)
Balance at 31 December 2005	35,000	15,141	(9,676)	2,300	42,765

Consolidated Balance Sheet

As at 30 June 2006

	Unaudited 30 June 2006 £'000	Unaudited 30 June 2005 £'000	Audited 31 December 2005 £'000
Non current assets			
Investments - fair value through profit or loss (note 1)	**41,801**	36,524	42,369
Current assets			
Receivables	**389**	391	3,379
Cash and cash equivalents	**1,376**	3,495	3,263
	1,765	3,886	6,642
Total assets	**43,566**	40,410	49,011
Current liabilities	**(396)**	(456)	(6,246)
Total assets less current liabilities	**43,170**	39,954	42,765
Net assets	**43,170**	39,954	42,765
Equity attributable to equity holders			
Ordinary share capital	**25,000**	25,000	25,000
Convertible preference share capital	**10,000**	10,000	10,000
Capital reserve - realised	**15,343**	14,693	15,141
Capital reserve - unrealised	**(9,837)**	(12,399)	(9,676)
Retained earnings	**2,664**	2,660	2,300
Total equity	**43,170**	39,954	42,765
Net assets per ordinary share - basic	**£1.33**	£1.20	£1.31
Net assets per ordinary share - diluted	**£1.23**	£1.14	£1.22

Consolidated Cashflow Statement

Six months ended 30 June 2006

	Unaudited 6 months to 30 June 2006 £'000	Unaudited 6 months to 30 June 2005 £'000	Audited Year ended 31 December 2005 £'000
Cash flow from operating activities			
Profit before tax	**1,401**	3,041	6,903
Adjustment for:			
Gains on investments	**(116)**	(2,039)	(5,283)
Scrip dividends	**(2)**	(2)	(4)
Film income tax deducted at source	**(4)**	(1)	(4)
Proceeds on disposal of investments at fair value through profit or loss	**14,778**	5,470	6,406
Purchases of investments at fair value through profit or loss	**(14,527)**	(4,383)	(7,552)
Operating cash flows before movements in working capital	**1,530**	2,086	466
Decrease/(increase) in receivables	**108**	(197)	(52)
(Decrease)/increase in payables	**(2,523)**	327	2,576
Net cash from operating activities before income tax	**(885)**	2,216	2,990
Income taxes (paid)/received	**(15)**	2	(4)
Net cash from operating activities	**(900)**	2,218	2,986
Cash flow from financing activities			
Dividends paid on ordinary shares	**(812)**	(775)	(1,600)
Dividends paid on preference shares	**(175)**	(175)	(350)
Net cash used in financing activities	**(987)**	(950)	(1,950)
Net (decrease)/increase in cash and cash equivalents	**(1,887)**	1,268	1,036
Cash and cash equivalents at beginning of period	**3,263**	2,227	2,227
Cash and cash equivalents at end of period	**1,376**	3,495	3,263

Notes to the Group Results

Six months ended 30 June 2006

1. Accounting policies

Basis of preparation

This interim report has been prepared in accordance with IAS 34.
The accounting policies are consistent with the preceding annual accounts.
The results are based on unaudited Group consolidated accounts prepared under the historical cost basis except where IFRS require an alternative treatment, principally relating to financial instruments (IAS 32 and 39).

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiary undertakings made up to 31 December each year. Control is achieved where the company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Significant accounting policies

In order better to reflect the activities of an investment trust company and in accordance with guidance issued by the Association of Investment Trust Companies (AITC), supplementary information which analyses the income statement between items of a revenue and capital nature has been presented alongside the income statement. In accordance with the company's status as a UK investment company under section 266 of the Companies Act 1985, net capital returns may not be distributed by way of dividend.

Investments held at fair value through profit or loss are initially recognised at fair value. Investments are classified as either fair value through profit or loss or available-for-sale. As the entity's business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends or increases in fair value, listed equities and fixed income securities are designated as fair value through profit or loss on initial recognition. The entity manages and evaluates the performance of these investments on a fair value basis in accordance with its investment strategy, and information about the group is provided internally on this basis to the entity's key management personnel.

After initial recognition, investments, which are designated as at fair value through profit or loss, are measured at fair value. Gains or losses on investments designated as at fair value through profit or loss are included in net profit or loss as a capital item, and material transaction costs on acquisition and disposal of investments are expensed and included in the capital column of the income statement. For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices or last traded prices, depending upon the convention of the exchange on which the investment is quoted at the close of business on the balance sheet date. Investments in units of unit trusts or shares in OEICs are valued at the closing price released by the relevant investment manager.

Notes to the Group Results (continued)

In respect of unquoted investments, or where the market for a financial instrument is not active, fair value is established by using an appropriate valuation technique. Where no reliable fair value can be estimated for such unquoted equity instruments, they are carried at cost, subject to any provision for impairment.

Investments in subsidiary companies are held at directors' valuation.

All purchases and sales of investments are recognised on the trade date i.e. the date that the group commits to purchase or sell an asset.

Realised gains on sales of investments in the group financial statements are based on historical cost to the group and on brought forward market value.

Dividend income from investments is recognised as income when the shareholders' rights to receive payment has been established, normally the ex-dividend date.

Interest income on fixed interest securities is recognised on a time apportionment basis so as to reflect the effective interest rate of the security.

Property unit trust income is recognised on the date the distribution is receivable. Film royalty income is recognised on receipt of royalty statements covering periods ending in the financial year.

When special dividends are received, the underlying circumstances are reviewed on a case by case basis in determining whether the amount is capital or income in nature. Amounts recognised as income will form part of the company's distribution. Any tax thereon will follow the accounting treatment of the principal amount.

All expenses are accounted for on an accruals basis. Expenses are charged as revenue items in the income statement except as follows:

- material transaction costs which are incurred on the purchase or sale of an investment designated as fair value through profit or loss are expensed and included in the capital column of the income statement;

- expenses are split and presented partly as capital items where a connection with the maintenance or enhancement of the value of the investments held can be demonstrated, and accordingly investment management and related costs have been allocated 50% (2005 - 50%) to revenue and 50% (2005 - 50%) to capital, in order to reflect the directors' long-term view of the nature of the expected investment returns of the company.

The 3.5% cumulative convertible non-redeemable preference shares issued by the company are classified as equity instruments in accordance with IAS 32 'Financial Instruments - Disclosure and Presentation' and FRS 25 as the company has no contractual obligation to redeem the preference shares for cash or pay preference dividends unless similar dividends are declared to ordinary shareholders.

Segmental reporting

The directors are of the opinion that the Group is engaged in a single segment of business, that is investment business, and therefore no segmental reporting is provided.

Notes to the Group Results (continued)

2. Investment income

	Unaudited 6 months to 30 June 2006 £'000	Unaudited 6 months to 30 June 2005 £'000	Audited Year ended 31 December 2005 £'000
Income from investments	**1,455**	1,138	1,885
Other income	**55**	64	147
	1,510	1,202	2,032

3. Proposed dividends*

	Unaudited 6 months to 30 June 2006		Unaudited 6 months to 30 June 2005	
	Pence per share	**£**	Pence per share	£
Ordinary shares – interim	**2.5**	**625,000**	2.3	575,000
Ordinary shares – special	**1.0**	**250,000**	1.0	250,000
Preference shares – fixed	**1.75**	**175,000**	1.75	175,000
		1,050,000		1,000,000

The directors have declared an interim dividend of 2.5p (2005 - 2.3p) per ordinary share, payable on 16 November 2006 to shareholders registered on 20 October 2006. The shares will be quoted ex-dividend on 18 October 2006.

The directors have further declared a special dividend of 1.0p (2005 - 1.0p) per ordinary share, payable on 14 December 2006 to shareholders registered on 20 October 2006. The shares will be quoted ex-dividend on 18 October 2006.

The dividends on ordinary shares are based on 25,000,000 ordinary £1 shares. Dividends on preference shares are based on 10,000,000 non-voting 3.5% convertible preference shares of £1.

The holders of the 3.5% convertible preference shares will be paid a dividend of £175,000 being 1.75p per share. The payment will be made on the same date as the dividend to the ordinary shareholders.

* Dividends shown in the statement of changes in equity are those paid or approved in the period rather than proposed.

Notes to the Group Results (continued)

4. Earnings per ordinary share

	Unaudited 6 months to 30 June 2006 £'000	Unaudited 6 months to 30 June 2005 £'000	Audited Year ended 31 December 2005 £'000
Basic earnings per share			
Calculated on the basis of:			
Net revenue profit after preference dividends	**1,176**	887	1,352
Net capital profit	**41**	1,973	5,144
Net total earnings after preference dividends	**1,217**	2,860	6,496
Ordinary shares in issue	**25,000**	25,000	25,000

	Unaudited 6 months to 30 June 2006 £'000	Unaudited 6 months to 30 June 2005 £'000	Audited Year ended 31 December 2005 £'000
Diluted earnings per share			
Calculated on the basis of:			
Net revenue profit	**1,351**	1,062	1,702
Net capital profit	**41**	1,973	5,144
Profit after taxation	**1,392**	3,035	6,846
Ordinary and preference shares in issue	**35,000**	35,000	35,000

Diluted earnings per share is calculated taking into account the preference shares which are convertible to ordinary shares on a one for one basis, under certain conditions, at any time during the period 1 January 2006 to 31 December 2025 (both dates inclusive).

Notes to the Group Results (continued)

5. Net asset value attributable to each share

Basic net asset value attributable to each share has been calculated by reference to 25,000,000 ordinary shares, and group net assets attributable to shareholders as follows:

	Unaudited 30 June 2006	Unaudited 30 June 2005	Audited 31 December 2005
	£'000	£'000	£'000
Total net assets	**43,170**	39,954	42,765
Less convertible preference shares	**(10,000)**	(10,000)	(10,000)
Net assets attributable to ordinary shareholders	**33,170**	29,954	32,765

Diluted net asset value is calculated on the total net assets in the table above and on 35,000,000 shares, taking into account the preference shares which are convertible to ordinary shares on a one for one basis, under certain conditions, at any time during the period 1 January 2006 to 31 December 2025 (both dates inclusive).

6. Financial information

This interim statement is not the company's statutory accounts. The statutory accounts for the year 31 December 2005 have been delivered to the Registrar of Companies and received an audit report which was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report, and did not contain statements under section 237(2) and (3) of the Companies Act 1985.

Notes to the Group Results (continued)

7. Retained earnings

The table below shows the movement in the retained earnings analysed between revenue and capital items.

	Unaudited Capital reserve - realised £'000	Unaudited Capital reserve - unrealised £'000	Unaudited Revenue £'000	Unaudited Total £'000
At 1 January 2006	15,141	(9,676)	2,300	7,765
Movement during the period:				
Net profit for the period	(317)	358	1,351	1,392
Transfer on disposal between reserves	519	(519)	–	–
Dividends paid on ordinary shares	–	–	(812)	(812)
Dividends paid on preference shares	–	–	(175)	(175)
At 30 June 2006	15,343	(9,837)	2,664	8,170

Independent Review Report to British & American Investment Trust PLC

Introduction

We have been instructed by the company to review the financial information for the six months ended 30 June 2006 which comprises the consolidated income statement, the consolidated statement of changes in equity, the consolidated balance sheet, the consolidated cash flow statement and related notes 1 to 7. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with Bulletin 1999/4 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority. The directors are also responsible for ensuring that the accounting policies and presentation applied to the interim figures are consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied, unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2006.

RSM Robson Rhodes LLP
Chartered Accountants
London, England
28 September 2006