



Walsham Investment Limited

Financial statements for the period since incorporation to
31 December 2001
together with directors' and auditors' reports

Registered number: 4076521



Directors' report

For the period since incorporation on 22 September 2000 to 31 December 2001

Financial Statements

The directors present their report and financial statements of the company for the period to 31 December 2001.

Principal activities

The principal activity of the company is the management of investments.

Statement of directors responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those 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; and
- prepare the statements 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 enable them to ensure that 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.

Financial results and dividends

During the period to 31 December 2001 there were no transactions on the profit and loss account.

The directors do not propose that a dividend be paid.

Share Capital

During September 2000 100 ordinary £1 shares were issued for cash at par to provide the initial share capital of the company.

Directors' report (continued)

Directors

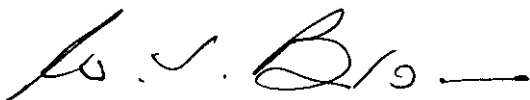
The directors during the period since incorporation were as follows:

Mr PCM Baddeley (appointed 22 September 2000, resigned 25 September 2000)
Mr WJ Brown (appointed 25 September 2000)
Mr JA Brown (appointed 25 September 2000)
Mr R Brown (appointed 25 September 2000)
Mr TW Moore (appointed 25 September 2000)

Mr TW Moore retired as a director on 31 May 2002 and Mr BC Gordon was appointed as a director on 1 June 2002.

The directors have no beneficial interest in the capital of the company. The directors interests in the shares of the ultimate holding company Walsham Brothers & Co. Limited can be seen in that company's accounts.

This report was approved by the Board on 27 June 2002.

A handwritten signature in black ink, appearing to read 'W J Brown', followed by a horizontal line.

W J Brown
Director

To the shareholders of Walsham Investment Limited

We have audited the financial statements of Walsham Investment Limited for the period since incorporation to 31 December 2001 which comprise the profit and loss account, the balance sheet and the related notes numbered 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

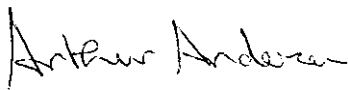
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 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 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 affairs of the company at 31 December 2001 and of the company's result for the first period then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen

Chartered Accountants and Registered Auditors

180 Strand

London

WC2R 1BL

27 June 2002

Profit and loss account

For the period since incorporation to 31 December 2001

	Notes	£
Turnover	2	-
Administrative expenses		-
Operating profit		-
Other operating income		-
Profit for the period		-

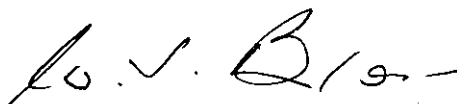
The notes on pages 7 to 8 form an integral part of these financial statements

Balance sheet
As at 31 December 2001

	Notes	£
Fixed assets		
Investment in subsidiary undertaking	4	100
Other investments	5	5,282,101
		<u>5,282,201</u>
Current assets		
Cash at bank and in hand		<u>100</u>
Total assets less current liabilities		<u>5,282,301</u>
Creditors: amount falling due after one year	6	<u>(5,282,201)</u>
Total assets less liabilities		<u>100</u>
Capital and reserves		
Called up share capital	6	100
Profit and loss account		<u>-</u>
		<u>100</u>

The notes on pages 7 to 8 form an integral part of these financial statements

The financial statements on pages 5 to 8 were approved by the Board on 27 June 2002.



W J Brown
Director

Notes to the financial statements

For the period ended 31 December 2001

1 Accounting policies

The principle accounting policies are summarised below. They have been applied consistently throughout the period.

a) Accounting convention

The financial statements are prepared under the historic cost convention and in accordance with applicable accounting standards.

The financial statements have been prepared on a going concern basis on the grounds that the directors of the holding company have indicated their willingness to support the company by providing adequate loan facilities to meet the financial obligations of the company as they fall due for a period of at least twelve months from the date these financial statements are signed.

b) Tangible fixed asset investments

Tangible fixed asset investments are stated at cost, less provision for permanent diminution in value.

2 Turnover

Due to the nature of its activities the company does not have a turnover.

3 Employees

The company has no employees other than its directors, who received no remuneration.

4 Investment in subsidiary undertaking

	£
Additions during the period	<u>100</u>

The company holds 100% of the issued share capital of Walsham Corporate Capital Limited which was incorporated in England and Wales on 22 September 2000. Advantage has been taken of the exemption for wholly owned subsidiaries not to produce group accounts.

5 Other investments

	£
Listed investments at cost	
Transferred from holding company at cost	809,031
Unlisted investments at cost	<u>4,473,070</u>
Total investments at 31 December 2001	<u>5,282,201</u>

The market value of the listed investments at 31 December was £654,281. The directors do not anticipate a permanent diminution in the value of the investments.

Notes to the financial statements (continued)

6 Creditors: amounts falling due after one year

	£
Amount due to holding company	<u>5,282,201</u>

The directors of the holding company have agreed not to call for the repayment of the amount outstanding for a period of at least twelve months from the date on which these financial statements are signed.

7 Equity share capital

On allocation and on 31 December 2001	Number	£
<i>Authorised</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Allotted, issued and fully paid</i>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

8 Related party transactions

Advantage has been taken of the exemption available to 90% or more owned subsidiaries not to disclose related party transactions between the company and its parent undertaking.

9 Ultimate parent company

The directors regard Walsham Brothers and Co Limited, a company incorporated in the U.K., as the ultimate parent company and the ultimate controlling party. Copies of the financial statements of Walsham Brothers and Co Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff CF4 3UZ.