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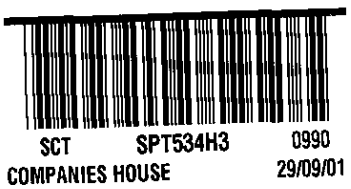
DOUGLAS BAILLIE LIMITED

FINANCIAL STATEMENTS

FOR

31ST DECEMBER 2000

Company Registration Number 187613



FRENCH DUNCAN
Chartered Accountants & Registered Auditors
375 West George Street
Glasgow
G2 4LH

DOUGLAS BAILLIE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

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DOUGLAS BAILLIE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The director	Mr D R G Baillie
Company secretary	Mrs J A Binner
Registered office	Harvard House Perth PH2 6TL
Auditors	French Duncan Chartered Accountants & Registered Auditors 375 West George Street Glasgow G2 4LH
Bankers	The Royal Bank of Scotland plc 12 Dunkeld Road Perth
Solicitors	McGrigor Donald Pacific House 70 Wellington Street Glasgow G2

DOUGLAS BAILLIE LIMITED

THE DIRECTOR'S REPORT

YEAR ENDED 31ST DECEMBER 2000

The director has pleasure in presenting his report and the financial statements of the company for the year ended 31st December 2000.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was independent financial advisors.

The company continues to attract high net worth individuals and companies seeking high quality financial advice at a time when margins are under pressure and the costs of compliance continue to escalate.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The director has recommended the following dividends:

	Year to 31 December 2000	Period from 14 July 1998 to 31 December 1999
	£	£
Dividends paid on ordinary shares	**91,300**	42,500

THE DIRECTOR AND HIS INTERESTS IN SHARES OF THE COMPANY

The director who served the company during the year together with his beneficial interests in the shares of the company was as follows:

	Ordinary Shares of £1 each	
	At 31 December 2000	**At 1 January 2000**
Mr D R G Baillie	**43,538**	**43,538**

DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the director is required to:

select suitable accounting policies, as described on page 9, 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 financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

DOUGLAS BAILLIE LIMITED

THE DIRECTOR'S REPORT *(continued)*

YEAR ENDED 31ST DECEMBER 2000

DIRECTOR'S RESPONSIBILITIES (continued)

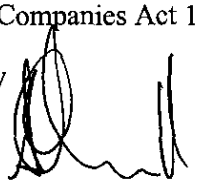
The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. The director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to re-appoint French Duncan as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Harvard House
Perth
PH2 6TL

Signed by



Mr D R G Baillie
Director

Approved by the director on 23rd August 2001

DOUGLAS BAILLIE LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31ST DECEMBER 2000

We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND THE AUDITORS

As described on pages 2 to 3, the company's director is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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 director 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 as at 31st December 2000 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

375 West George Street
Glasgow
G2 4LH

FRENCH DUNCAN
Chartered Accountants
& Registered Auditors

23rd August 2001

DOUGLAS BAILLIE LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2000

	Note	Year to 31 Dec 00 £	Period from 14 Jul 98 to 31 Dec 99 £
TURNOVER	2	**490,889**	688,914
Administrative expenses		**378,895**	372,520
OPERATING PROFIT	3	**111,994**	316,394
Loss on disposal of fixed assets	6	**(1,992)**	(10,000)
		110,002	306,394
Interest receivable		**344**	483
Interest payable	7	**(4,575)**	(7,118)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**105,771**	299,759
Tax on profit on ordinary activities	8	**(27,257)**	(67,709)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		**78,514**	232,050
Dividends	9	**91,300**	42,500
(LOSS)/RETAINED PROFIT FOR THE FINANCIAL YEAR		**(12,786)**	189,550
Balance brought forward		**189,550**	-
Balance carried forward		**176,764**	189,550

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

DOUGLAS BAILLIE LIMITED

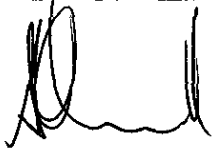
BALANCE SHEET

31ST DECEMBER 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Intangible assets	10	191,963	216,210
Tangible assets	11	64,889	59,012
		256,852	275,222
CURRENT ASSETS			
Debtors	12	102,880	90,223
Cash at bank and in hand		2,397	324
		105,277	90,547
CREDITORS: Amounts falling due within one year	13	(136,058)	(110,565)
NET CURRENT LIABILITIES		(30,781)	(20,018)
TOTAL ASSETS LESS CURRENT LIABILITIES		226,071	255,204
CREDITORS: Amounts falling due after more than one year	14	(3,091)	(17,046)
		222,980	238,158
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	15	(2,678)	(5,070)
		220,302	233,088
CAPITAL AND RESERVES			
Called-up equity share capital	19	43,538	43,538
Profit and Loss Account		176,764	189,550
SHAREHOLDERS' FUNDS	20	220,302	233,088

These financial statements were approved and signed by the director on 23rd August 2001

MR D R G BAILLIE



DOUGLAS BAILLIE LIMITED

CASH FLOW STATEMENT

YEAR ENDED 31ST DECEMBER 2000

	Year to 31 Dec 00 £	Period from 14 Jul 98 to 31 Dec 99 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	**160,887**	290,767
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	**344**	483
Interest paid	**(251)**	(318)
Interest element of hire purchase	**(4,324)**	(6,800)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	**(4,231)**	(6,635)
CAPITAL EXPENDITURE		
Payments to acquire intangible fixed assets	**-**	(242,463)
Payments to acquire tangible fixed assets	**(39,500)**	(209,927)
Receipts from sale of fixed assets	**7,447**	75,000
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	**(32,053)**	(377,390)
EQUITY DIVIDENDS PAID	**(91,300)**	(42,500)
CASH INFLOW/(OUTFLOW) BEFORE FINANCING	**33,303**	(135,758)
FINANCING		
Issue of equity share capital	**-**	43,538
Capital element of hire purchase	**(16,621)**	77,828
NET CASH (OUTFLOW)/INFLOW FROM FINANCING	**(16,621)**	121,366
INCREASE/(DECREASE) IN CASH	**16,682**	(14,392)

RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year to 31 Dec 00 £	Period from 14 Jul 98 to 31 Dec 99 £
Operating profit	**111,994**	316,394
Amortisation	**24,247**	26,253
Depreciation	**24,184**	16,197
Increase in debtors	**(12,657)**	(90,223)
Increase in creditors	**13,119**	22,146
Net cash inflow from operating activities	**160,887**	290,767

DOUGLAS BAILLIE LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31ST DECEMBER 2000

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2000 £	1999 £
Increase/(Decrease) in cash in the period	**16,682**	(14,392)
Cash outflow in respect of hire purchase	**16,621**	(77,828)
Change in net debt resulting from cash flows	**33,303**	(92,220)
New finance leases	**-**	49,718
Movement in net debt in the period	**33,303**	(42,502)
Net debt at 1st January 2000	**(42,502)**	-
Net debt at 31st December 2000	**(9,199)**	(42,502)

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jan 2000 £	Cash flows £	At 31 Dec 2000 £
Net cash:			
Cash in hand and at bank	**324**	**2,073**	**2,397**
Overdrafts	**(14,716)**	**14,609**	**(107)**
	(14,392)	**16,682**	**2,290**
Debt:			
Hire purchase agreements	**(28,110)**	**16,621**	**(11,489)**
Net debt	**(42,502)**	**33,303**	**(9,199)**

DOUGLAS BAILLIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Goodwill

Goodwill is the difference between the fair value of the consideration given on the acquisition of the business and the aggregate fair value of the separable net assets acquired.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	-	over 10 years

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	-	20% Straight line
Motor Vehicles	-	20% Straight line
Equipment	-	20% straight line

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

DOUGLAS BAILLIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

2. *TURNOVER*

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	Year to 31 Dec 00	Period from 14 Jul 98 to 31 Dec 99
	£	£
United Kingdom	**490,889**	688,914

3. OPERATING PROFIT

Operating profit is stated after charging:

	Year to 31 Dec 00	Period from 14 Jul 98 to 31 Dec 99
	£	£
Amortisation	**24,247**	26,253
Depreciation	**24,184**	16,197
Auditors' remuneration		
- as auditors	**4,000**	1,750
- accountancy	**6,632**	6,379

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	Year to 31 Dec 00	Period from 14 Jul 98 to 31 Dec 99
	No.	No.
Number of administrative staff	**6**	6
Number of management staff	**1**	1
	7	7

The aggregate payroll costs of the above were:

	Year to 31 Dec 00	Period from 14 Jul 98 to 31 Dec 99
	£	£
Wages and salaries	**151,159**	116,912
Social security costs	**13,878**	10,251
	165,037	127,163

DOUGLAS BAILLIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

5. DIRECTOR'S EMOLUMENTS

The director's aggregate emoluments in respect of qualifying services were:

	Year to 31 Dec 00	Period from 14 Jul 98 to 31 Dec 99
	£	£
Aggregate emoluments	**27,900**	5,000

6. LOSS ON DISPOSAL OF FIXED ASSETS

	Year to 31 Dec 00	Period from 14 Jul 98 to 31 Dec 99
	£	£
Loss on disposal of fixed assets	**(1,992)**	(10,000)

7. INTEREST PAYABLE

	Year to 31 Dec 00	Period from 14 Jul 98 to 31 Dec 99
	£	£
Interest payable on bank borrowing	**251**	318
Finance charges	**4,324**	6,800
	4,575	7,118

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year to 31 Dec 00	Period from 14 Jul 98 to 31 Dec 99
	£	£
Corporation Tax based on the results for the year at 20% (1999 - 21/20%)	**29,649**	62,639
(Decrease)/Increase in deferred tax provision **(Note 15)**:		
Other	**(2,392)**	5,070
	27,257	67,709

9. DIVIDENDS

The following dividends have been paid in respect of the year:

	Year to 31 Dec 00	Period from 14 Jul 98 to 31 Dec 99
	£	£
Dividend paid on ordinary shares	**91,300**	42,500

DOUGLAS BAILLIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

10. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1st January 2000 and 31st December 2000	**242,463**
AMORTISATION	
At 1st January 2000	**26,253**
Charge for the year	**24,247**
At 31st December 2000	**50,500**
NET BOOK VALUE	
At 31st December 2000	**191,963**
At 31st December 1999	216,210

11. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
COST				
At 1st January 2000	**8,218**	**24,350**	**42,641**	**75,209**
Additions	**-**	**39,500**	**-**	**39,500**
Disposals	**-**	**(12,050)**	**-**	**(12,050)**
At 31st December 2000	**8,218**	**51,800**	**42,641**	**102,659**
DEPRECIATION				
At 1st January 2000	**1,699**	**5,246**	**9,252**	**16,197**
Charge for the year	**1,643**	**14,013**	**8,528**	**24,184**
On disposals	**-**	**(2,611)**	**-**	**(2,611)**
At 31st December 2000	**3,342**	**16,648**	**17,780**	**37,770**
NET BOOK VALUE				
At 31st December 2000	**4,876**	**35,152**	**24,861**	**64,889**
At 31st December 1999	6,519	19,104	33,389	59,012

Hire purchase agreements
Included within the net book value of £64,889 is £4,055 (1999 - £38,946) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £1,390 (1999 - £11,812).

DOUGLAS BAILLIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

12. DEBTORS

	2000	1999
	£	£
Trade debtors	**57,186**	89,584
Other debtors	**4,918**	295
Directors current accounts	**39,747**	-
Prepayments and accrued income	**1,029**	344
	102,880	90,223

The director's loan account at the beginning of the year was a credit of £794 and at the end of the year the balance was a debtor of £39,747. The highest balance during the year was a debtor of £140,210.

13. CREDITORS: Amounts falling due within one year

	2000	1999
	£	£
Bank loans and overdrafts	**107**	14,716
Trade creditors	**9,893**	5,798
Other creditors including taxation and social security:		
Corporation tax	**92,288**	62,639
PAYE and social security	**11,115**	360
Hire purchase agreements	**8,398**	11,064
Directors current accounts	**-**	794
	121,801	95,371
Accruals and deferred income	**14,257**	15,194
	136,058	110,565

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2000	1999
	£	£
Bank loans and overdrafts	**107**	14,716

14. CREDITORS: Amounts falling due after more than one year

	2000	1999
	£	£
Other creditors:		
Hire purchase agreements	**3,091**	17,046

DOUGLAS BAILLIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

15. DEFERRED TAXATION

	Year to 31 Dec 00 £	Period from 14 Jul 98 to 31 Dec 99 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	**5,070**	-
(Decrease)/increase in provision	**(2,392)**	5,070
Provision carried forward	**2,678**	5,070

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	Year to 31 Dec 00 £	Period from 14 Jul 98 to 31 Dec 99 £
Other timing differences	**2,678**	5,070

16. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2000 £	1999 £
Amounts payable within 1 year	**10,365**	13,782
Amounts payable between 2 to 5 years	**3,031**	20,560
	13,396	34,342
Less interest and finance charges relating to future periods	**(1,907)**	(6,232)
	11,489	28,110

17. CONTINGENCIES

The company has completed its performance review and has investigated all its files in accordance with the FSA Pension Review guidelines. One case remains outstanding in Phase 2 which may give rise to a successful claim. At present the director is unable to quantify the amount of any potential claim however the company holds Professional Indemnity insurance should such a liability arise.

18. RELATED PARTY TRANSACTIONS

DB Corporate Finance is a sole trader business also under the control of the company's sole director Douglas Baillie. No transactions have taken place between the two entities during the year. (1999-The company paid expenses on behalf of the business amounting to £17,914).

The director also formed a company, G60 Ltd, during the year. This company has not yet commenced trading, but the formation costs of £4,918 have been paid for by Douglas Baillie Limited and are included in other debtors.

DOUGLAS BAILLIE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2000

19. SHARE CAPITAL

Authorised share capital:

	2000	1999
	£	£
60,000 Ordinary shares of £1.00 each	**60,000**	60,000

Allotted, called up and fully paid:

	2000	1999
	£	£
Ordinary share capital brought forward	**43,538**	-
Issue of ordinary shares	-	43,538
	43,538	43,538

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Profit for the financial year	**78,514**	232,050
Dividends	**(91,300)**	(42,500)
	(12,786)	189,550
New equity share capital subscribed	-	43,538
Purchase of own equity shares		
Net (reduction)/addition to funds	**(12,786)**	233,088
Opening shareholders' equity funds	**233,088**	-
Closing shareholders' equity funds	**220,302**	233,088

DOUGLAS BAILLIE LIMITED

MANAGEMENT INFORMATION

YEAR ENDED 31ST DECEMBER 2000

The following pages do not form part of the statutory financial statements which are the subject of the auditors' report on page 4.

DOUGLAS BAILLIE LIMITED

DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2000

	Year to 31 Dec 00 £	Period from 14 Jul 98 to 31 Dec 99 £
TURNOVER	**490,889**	688,914
OVERHEADS		
Administrative expenses	**(378,895)**	(372,520)
OPERATING PROFIT	**111,994**	316,394
Loss on disposal of fixed assets	**(1,992)**	(10,000)
	110,002	306,394
Bank interest receivable	**344**	483
	110,346	306,877
Interest payable	**(4,575)**	(7,118)
PROFIT ON ORDINARY ACTIVITIES	**105,771**	299,759

DOUGLAS BAILLIE LIMITED

NOTES TO THE DETAILED PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 2000

	Year to 31 Dec 00 £	Period from 14 Jul 98 to 31 Dec 99 £
ADMINISTRATIVE EXPENSES		
Personnel costs		
Directors salaries	**27,900**	5,000
Directors NIC	**2,672**	81
Wages and salaries	**114,318**	106,239
Pension and medical insurance costs for staff	**8,941**	5,673
Staff NIC	**11,206**	10,170
	165,037	127,163
Establishment expenses		
Rent, rates and water	**37,606**	31,632
Light and heat	**5,769**	4,066
Insurance	**10,650**	7,700
Repairs and maintenance	**4,675**	13,111
	58,700	56,509
General expenses		
Motor expenses	**29,537**	23,950
Travel and subsistence	**11,570**	17,027
Car hire	**1,388**	1,572
Telephone	**11,462**	20,587
Hire of equipment	**4,476**	4,575
Aeroplane expenses	**8,494**	10,366
Printing, stationery and postage	**9,311**	10,266
Staff training	**1,474**	915
Recruitment expenses	**-**	186
Sundry expenses	**1,587**	3,395
Subscriptions	**3,785**	1,585
Advertising	**1,281**	1,027
Entertaining	**2,527**	1,408
Legal and professional fees	**8,401**	39,731
Accountancy fees	**6,632**	6,379
Auditors remuneration	**4,000**	1,750
Amortisation	**24,247**	26,253
Depreciation	**24,184**	16,197
	154,356	187,169
Financial costs		
Bank charges	**802**	1,679
	378,895	372,520
INTEREST PAYABLE		
Bank interest payable	**251**	318
HP/Finance lease charges	**4,324**	6,800
	4,575	7,118