

BARCLAYS UNQUOTED INVESTMENTS LIMITED

**Report and Financial Statements
For the year ended 31 December 2001**



REGISTERED NUMBER 2156066

BARCLAYS UNQUOTED INVESTMENTS LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2001

The directors present their report together with the audited financial statements for the year ended 31 December 2001.

Review of Business

The principal activity of the Company is investing to support the development of aspiring businesses, this includes the provision of loans to companies and individuals.

Results and Dividends

During the year ended the Company made a loss after taxation of £5,316,611 (2000: profit of £717,842). The directors do not recommend the payment of a dividend (2000: Nil).

Directors

The directors of the Company, who served during the year ended 31 December 2001, are as shown below:

R D East (resigned 24th December 2001)

J D Callender (appointed 24th December 2001)

M A Ransom

Barcosec Limited

Barometers Limited

Directors' Interests in Shares

(as defined by section 325 the Companies Act 1985)

The directors of the Company are also directors of Barclays Directors Limited and their interests are disclosed in the accounts of that company.

Barometers Limited and Barcosec Limited have no interests in the shares of the Company, its holding Company or any fellow subsidiaries.

Going Concern

After reviewing detailed profit projections, taking into account the available bank facilities and making such further enquiries as they consider appropriate, the directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they adopt the going concern basis in preparing financial statements.

Statement of Directors' Responsibilities

The following statement, which should be read in conjunction with the Auditors' Report set out on Page 3, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the Auditors in relation to the financial statements.

BARCLAYS UNQUOTED INVESTMENTS LIMITED

DIRECTORS' REPORT (continued)

For the year ended 31 December 2001

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

The directors consider that in preparing the financial statements on pages 4 to 14,

- the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and
- that all the accounting standards which they consider to be applicable have been followed, and
- that the financial statements have been prepared on a going concern basis.

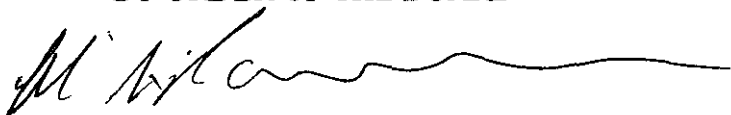
The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Auditors

On 21/12/90 an Elective Resolution was passed by the shareholders of the Company pursuant to Section 386 of the Companies Act 1985 to dispense with the obligation to appoint Auditors annually. PricewaterhouseCoopers have indicated their willingness to continue in office.

BY ORDER OF THE BOARD



M A Ransom
Director

29th October 2002

BARCLAYS UNQUOTED INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BARCLAYS UNQUOTED INVESTMENTS LIMITED

We have audited the financial statements on pages 4 to 14.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on pages 1 & 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

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 directors 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 at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers
PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

London

29th October 2002

BARCLAYS UNQUOTED INVESTMENTS LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001**

	Note	2001 £	2000 £
Interest and dividends from investments	3	1,816,053	2,593,194
Gains on sale of investments		2,761,220	537,300
		<hr/> 4,577,273	<hr/> 3,130,494
Provision for interest and dividends not received		-	(289,165)
Net provision for impairment of investments charged against fixed asset investments		(10,355,244)	(2,355,381)
Administrative expenses	4	(61,558)	(183,150)
		<hr/> (5,839,529)	<hr/> 302,798
Operating (loss) / profit			
Interest receivable and similar income	6	135,272	142,321
(Loss) / profit on ordinary activities before taxation	7	(5,704,257)	445,119
Tax credit on (loss) / profit on ordinary activities	8	387,646	272,723
		<hr/> (5,316,611)	<hr/> 717,842
(Loss) / profit on ordinary activities after taxation			
Retained (loss) / profit for the year		<hr/> (5,316,611)	<hr/> 717,842

All recognised gains and losses are included in the profit and loss account for both years.

Turnover and operating profit are derived from continuing activities. There is no difference between the results disclosed in the profit and loss account and the results on a modified historical cost basis for both years. The notes on pages 6 to 14 form an integral part of these financial statements.

BARCLAYS UNQUOTED INVESTMENTS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2001

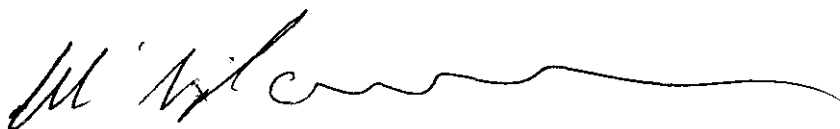
	Note	2001 £	2000 £
FIXED ASSETS			
Fixed Asset Investments	9	34,639,163	32,989,030
CURRENT ASSETS			
Debtors	10	1,476,702	2,849,261
Cash at bank and in hand		1,198,263	2,804,714
CREDITORS:			
Amounts falling due within one year	11	(26,750)	(39,016)
NET CURRENT ASSETS		2,648,215	5,614,959
TOTAL ASSETS LESS CURRENT LIABILITIES		37,287,378	38,603,989
CAPITAL AND RESERVES			
Called up share capital	12	44,000,000	40,000,000
Profit and loss account		(6,712,622)	(1,396,011)
Total equity shareholders' funds	13	37,287,378	38,603,989

A statement of movement in shareholders' funds is given in note 14.

The notes on pages 6 to 14 form an integral part of these financial statements.

The financial statements on pages 4 to 14 were approved by the Board of Directors on

29th October 2002.



M A Ransom
Director

BARCLAYS UNQUOTED INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain tangible fixed assets, the accounting policies set out below and in accordance with applicable accounting standards of the Accounting Standards Board and the pronouncements of the Urgent Issues Task Force.

Investments

Valuations are reviewed annually. In valuing unlisted investments, the directors follow the valuation method recommended by the British Venture Capital Association. All investments are valued according to one of the following bases:

Cost (less any provision required);
Earnings multiple; or
Net assets.

Listed investments are stated at the lower of cost and market value and unlisted investments are held at cost less any provision for permanent diminution of value.

Investment Income

The profit and loss account is credited with income from investments, together with any related tax credit, on the accruals basis.

When an unlisted investment becomes listed and an equity shareholding is replaced with any equity shareholding in a listed company with similar rights and obligations to the original equity, no profit or loss is recognised. Profit or loss is only recognised on disposal of equity for cash or cash equivalents.

2. CASH FLOW STATEMENT

The Company's ultimate holding company has adopted the provisions of Financial Reporting Standard 1 ("FRS 1") revised 1996, Cash Flow Statements. Accordingly the Company, which is a wholly owned subsidiary of Barclays Bank PLC, has elected to utilise the exemption provided in FRS 1 not to produce a cash flow statement.

3. INTEREST AND DIVIDENDS FROM INVESTMENTS

This represents income from investments, calculated in accordance with note 1. The sole market was the United Kingdom.

BARCLAYS UNQUOTED INVESTMENTS LIMITED

4. ADMINISTRATIVE EXPENSES

The number of employees for the Company during the year was nil (2000: nil). Administration expenses of the Company are mainly borne by Barclays PLC, this company's ultimate parent undertaking, and relevant employee remuneration is disclosed in that company's financial statements.

5. DIRECTORS' EMOLUMENTS

The aggregate emoluments of the Directors of the Company computed in accordance with Schedule 6 of the Companies Act 1985 were: -

	2001 £	2000 £
Emoluments	<u>183,660</u>	<u>206,070</u>

Aggregate emoluments in respect of qualifying services for the highest paid Director during the year were: -

	2001 £	2000 £
Emoluments	<u>183,660</u>	<u>206,070</u>

All Directors' emoluments are paid by another group undertaking with no recharge made to the company.

One Director is accruing retirement benefits under a defined benefit scheme.

No Directors exercised options under the Save As You Earn share option scheme during the year to 31 December 2001

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2001 £	2000 £
Interest Receivable from Group Undertakings	120,075	128,455
Other Interest Receivable	15,197	13,866
Total Interest Receivable	<u>135,272</u>	<u>142,321</u>

7. PROFIT / LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit / loss on ordinary activities before taxation is arrived at after taking into account:

	2001 £	2000 £
Audit fees	<u>26,750</u>	<u>38,000</u>

BARCLAYS UNQUOTED INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £	2000 £
United Kingdom:		
Corporation tax credit	254,303	108,302
Adjustments in respect of prior years	133,343	164,421
Tax on loss on ordinary activities	<u>387,646</u>	<u>272,723</u>

The tax credit is based on an effective UK corporation tax rate of 30% (2000 30%).

9. FIXED ASSET INVESTMENTS

	2001 £	2000 £
Cost		
At 1 January	37,858,221	20,347,517
Additions	17,571,947	19,343,038
Disposals	(5,566,570)	(429,000)
Amounts written off	(3,921,282)	(1,403,334)
At 31 December	<u>45,942,316</u>	<u>37,858,221</u>
	2001 £	2000 £
Provisions		
Balance at 1 January	(4,869,191)	(2,513,810)
Provisions made during year	(10,355,244)	(2,355,381)
Amounts written off	3,921,282	-
Balance at 31 December	<u>(11,303,153)</u>	<u>(4,869,191)</u>
Net book value At 31 December	<u>34,639,163</u>	<u>32,989,030</u>

Included in the above total are listed investments held at cost of £819,333 with a market value of £823,347 at 31 December 2001.

BARCLAYS UNQUOTED INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

The following company is the principal subsidiary of Barclays Unquoted Investments Limited.

Name	Country of Incorporation	Nature of Business	% of Equity Control Held
Globe Nominees	Great Britain	Nominee Company	100

Details of investments in which the company holds more than 20% of any class of ordinary share capital are as follows:

Company Name	Class of Investment	% of class held	% of voting equity
Warth International Ltd	'A' Ordinary shares	100	30.0
Crane Care Ltd	'A' Ordinary shares	100	25.0
Westek Technology Ltd	'A' Ordinary shares	100	40.0
	Convertible Preference shares	100	15.0
FTL Seals Technology Ltd	'A' Ordinary shares	100	33.3
Viscose Closures Ltd	'A' Ordinary shares	100	40.0
	Redeemable Preference shares	100	-
Qube Ltd	'A' Ordinary shares	100	39.7
Econex Ltd	'A' Ordinary shares	100	49.0
Simons Reeve Ltd	'A' Ordinary shares	100	23.0
ISG Thermal Systems Ltd	'A' Ordinary shares	100	23.0
Robert Prettie & Co Ltd	'A' Ordinary shares	100	45.0
Prima Corporate Wear Ltd	'A' Ordinary shares	100	33.3
Le Monde Holdings Ltd	'A' Ordinary shares	95	33.3
Snowdome Holdings Ltd	'A' Ordinary shares	95	23.8
VectorCommand Ltd	'A' Ordinary shares	36	34.4
British Biocell International Ltd	'A' Ordinary shares	33	22.0
The River Group	'A' Ordinary shares	95	13.3

BARCLAYS UNQUOTED INVESTMENTS LIMITED

Company Name	Class of Investment	% of class held	% of voting equity
Esprit Holidays	'A' Ordinary shares	95	40.4
Media Audits	'A' Ordinary shares	95	46.6
Regalead	'A' Ordinary shares	95	34.2
DMI	'A' Ordinary shares	95	43.7
Benlow	'A' Ordinary shares	95	28.5
Interactive Services	Convertible Preference Shares	49.9	11.5
System C Healthcare	Convertible Redeemable Preference Shares	99.8	11.1
Labinah M'mnt Training	'A' Ordinary shares	46.6	20.0
Iglu.com	Convertible Preference Shares	24.9	9.98
Raidtec Corporation	'B' Ordinary shares	23.1	4.56

All the above companies are incorporated in Great Britain and registered in England, with the exception of Interactive Services and Raidtec Corporation which were incorporated in the Republic of Ireland.

Although the company's interest in the equity voting rights in certain of the above investments is 20% or more, the directors do not consider them to be participating interests (within the meaning of section 260, Companies Act 1985) and consequently not associated undertakings since the group does not exercise significant influence over the activities of these investments.

BARCLAYS UNQUOTED INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. DEBTORS

	2001	2000
	£	£
Dividends receivable	324,637	359,820
Interest receivable	342,544	1,072,967
Provision for bad & doubtful debts:-		
Interest	-	(493,910)
Dividends	-	(182,831)
Taxation	809,521	108,302
Loans to directors & employees	-	559,913
Other debtors	-	1,425,000
	<u>1,476,702</u>	<u>2,849,261</u>

The Loans above were made as part of an employee incentive scheme whereby employees buy shares through a nominee company (Globe Nominees Ltd.). These loans are repayable solely by the realisation of the underlying investment, and if the investment was realised at less than the value of the loan, the difference would have been written off by Barclays Unquoted Investments Limited.

On 30th November 2001 the loans were repaid by the individuals to the company and the investments that had been funded with the loans transferred to the company. The co-investment scheme after 30th November 2001 takes the form of a scheme where the participants are given options on the shares of the investments in which the company invests.

The provision for interest and dividends not received has been recovered in the year. The amounts recovered were then re-invested in the respective companies.

The amounts under 'Other Debtors' as at 31st December 2000 relate to monies held by the company's legal representatives in respect of an imminent investment. The investment was subsequently made following the year end.

11. CREDITORS: Amounts falling due within one year

	2001	2000
	£	£
Accruals and deferred income	(26,750)	(39,016)
	<u>(26,750)</u>	<u>(39,016)</u>

BARCLAYS UNQUOTED INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. CALLED UP SHARE CAPITAL

	2001 £	2000 £
Authorised: 44,000,000 ordinary shares of £1 each	44,000,000	40,000,000
Allocated, issued and fully paid: 44,000,000 ordinary shares of £1 each	<u>44,000,000</u>	<u>40,000,000</u>

During the year 4,000,000 £1 Ordinary shares (2000: 18,850,000) were allotted and fully paid and the authorised share capital was increased to 44,000,000 £1 Ordinary shares (2000: 40,000,000)

13. STATEMENT OF RESERVES

	Profit and loss account £
At 1 January 2001	(1,396,011)
Retained profit for the year	(5,316,611)
At 31 December 2001	<u>(6,712,622)</u>

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
(Loss) / profit for the financial year	(5,316,611)	717,842
New share capital subscribed	<u>4,000,000</u>	<u>18,850,000</u>
Net (reduction) / addition to shareholders' funds	(1,316,611)	19,567,842
Opening shareholders' funds	<u>38,603,989</u>	<u>19,036,147</u>
Closing shareholders' funds	<u>37,287,378</u>	<u>38,603,989</u>

BARCLAYS UNQUOTED INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. CONTRACTS WITH DIRECTORS AND CONNECTED PERSONS

The aggregate amounts outstanding under transactions, arrangements and agreements made by authorised institutions within the Group for persons who are, or were during the year, Directors of Barclays Unquoted Investments Limited and persons connected with them and, within the meaning of the Banking Act 1987, of Barclays Unquoted Investments Limited were:

	Number of Directors	Number of connected persons	Amount (£)
As at 31 st December 2000			
Director's Loans	1	0	95,185
As at 31 st December 2001			
Director's Loans	0	0	-

There are no transactions, arrangements or agreements with Barclays Unquoted Investments Limited in which Directors, or persons connected with them had a material interest and which are disclosable under the relevant provisions of the Companies Act 1985.

Certain Directors and connected persons as at 31st December 2001 have a financial interest in the performance of some of the investments made by the Company in accordance with the terms of a Co-Investment Plan ("the Plan"). Under the Plan, a total of £9,991 had been invested through Globe Nominees Limited (the Co-Investment Vehicle), by 31st December 2001 (2000: £101,949). The change from the prior year figure is due to the repayment, on 30th November 2001, of the loan to the director disclosed in this note, and the connected transfer of investments to the company.

16. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under the provisions of Financial Reporting Standard 8 ("FRS 8"), *Related Party Disclosures* not to disclose transactions with other group companies since the Company is a wholly owned subsidiary of Barclays Bank PLC, the consolidated financial statements of which are publicly available. During the period there have been no transactions with related parties other than group companies.

BARCLAYS UNQUOTED INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. ULTIMATE HOLDING COMPANY

The parent undertaking of the smallest group that presents group accounts is Barclays Bank PLC. The ultimate holding company and the parent company of the largest group that presents group accounts is Barclays PLC. Both companies are incorporated in Great Britain and registered in England and Wales. Barclays Bank PLC's and Barclays PLC's statutory accounts are available from the Secretary, 54 Lombard Street, London EC3P 3AH.