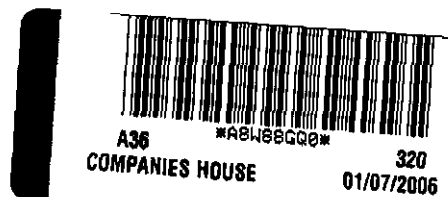


GRANVILLE BAIRD PRIVATE EQUITY (GENERAL PARTNER) LIMITED

**Financial statements for the year ended 31 December 2005 together with
Directors' and Auditors' Reports**



Directors: M J O Proudlock
M W Fell (resigned 13/01/06)
S W Havers (appointed 2/01/06)

Secretary: Mawlaw Secretaries Limited

Registered Office: Mint House
77 Mansell Street
London E1 8AF

REPORT OF THE DIRECTORS

The Directors present their report together with the audited financial statements of the Company for the year ended 31 December 2005.

PRINCIPAL ACTIVITY OF THE COMPANY

The Company is a general partner in The Granville Private Equity Limited Partnership ("the Partnership") which invests in unquoted companies in the United Kingdom and elsewhere within the European Union. The Company has sole responsibility for the conduct and management of the Partnership's business. Under the terms of the Partnership agreement the Company has exercised its right to appoint Granville Baird Capital Partners Limited to act as manager of the partnership with substantially the same powers and duties as it would otherwise have retained.

RESULTS AND DIVIDENDS

The Company made a profit after taxation of £10,696 (2004: £ Nil). The Directors do not propose to pay a dividend in respect of 2005 (2004: £Nil)

DIRECTORS AND THEIR INTERESTS

The Directors who served during the year are those shown above. The Directors who held office on 31 December 2005 had no interests in the share capital of the Company.

AUDITORS

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of its profit or loss for that year. In preparing the 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 financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for maintaining 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.

BY ORDER OF THE BOARD



For and on behalf of
Mawlaw Secretaries Limited
Secretary

3 April 2006

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GRANVILLE BAIRD PRIVATE EQUITY (GENERAL PARTNER) LIMITED

We have audited the financial statements of Granville Baird Private Equity (General Partner) Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet and the related notes numbered 1 to 8. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 *International Auditing Standards (UK and Ireland)*.

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 *International Standards on Auditing (UK and Ireland)* 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 judgments 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GRANVILLE BAIRD
PRIVATE EQUITY (GENERAL PARTNER) LIMITED (Continued)**

OPINION

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the company's affairs as at 31 December 2005 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton UK LLP

Grant Thornton UK LLP
Chartered Accountants
Registered Auditors
London

3 April 2006

GRANVILLE BAIRD PRIVATE EQUITY (GENERAL PARTNER) LIMITED
PROFIT AND LOSS ACCOUNT

	Notes	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Turnover	1	6,198	18,595
Operating expenses		<u>(6,198)</u>	<u>(18,595)</u>
Profit on ordinary activities before taxation	2	-	-
Taxation credit on profit on ordinary activities	1,3	10,696	-
Profit on ordinary activities after taxation		<u>10,696</u>	<u>-</u>
Retained profit brought forward		222,987	222,987
Retained profit carried forward		<u>233,683</u>	<u>222,987</u>

The Company has no recognised gains or losses in either year other than those included in the profit and loss account above, therefore, no statement of recognised gains or losses has been prepared.

All items dealt with in arriving at profit on ordinary activities before taxation relate to continuing operations.

The notes on pages 8 to 10 are an integral part of these financial statements.

GRANVILLE BAIRD PRIVATE EQUITY (GENERAL PARTNER) LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2005

	Notes	31 December 2005 £	31 December 2004 £
CURRENT ASSETS			
Debtors	5	233,684	222,988
NET CURRENT ASSETS		<u>233,684</u>	<u>222,988</u>
NET ASSETS		<u>233,684</u>	<u>222,988</u>
CAPITAL AND RESERVES			
Called up share capital	6	1	1
Profit and loss account		233,683	222,987
EQUITY SHAREHOLDERS' FUNDS	7	<u>233,684</u>	<u>222,988</u>

The financial statements were approved by the Board of Directors on 3 April 2006 and signed on their behalf by



M J O Proudlock
Director

The notes on pages 8 to 10 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

A summary of the principal accounting policies are set out below. These have been applied consistently throughout the year and the preceding year.

- a) **Basis of preparation** - The financial statements have been prepared in accordance with UK applicable accounting standards and under the historical cost convention.
- b) **Cash flow statement** - The Company has taken advantage of the exemption from the requirement of Financial Reporting Standard No 1 (revised) to prepare a cash flow statement as during the year it was a wholly owned subsidiary undertaking of Robert W. Baird Group Limited, whose consolidated financial statements include those of the Company and are publicly available.
- c) **Turnover** - Turnover represents Priority Profit Share arising from the Company's role as a general partner of The Granville Private Equity Limited Partnership.
- d) **Taxation** - UK Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

- e) **Related party transactions** - The Company has taken advantage of the exemptions available under Financial Reporting Standard 8, "Related Party Disclosures", not to disclose transactions with its parent and fellow subsidiary undertakings.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging:

	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Management charge from group undertaking	<u>6,198</u>	<u>18,595</u>

No Directors received remuneration during the year. Audit fees are borne by the parent company, Robert W. Baird Group Limited.

NOTES TO THE FINANCIAL STATEMENTS

3 TAXATION

	Year ended 31 December 2005 £	Year ended 31 December 2004 £
UK Corporation tax at 30%	-	-
UK Corporation tax -adjustment in respect of prior years	10,696	-
Total current tax credit	<u>10,696</u>	<u>-</u>

Estimated unrelieved tax losses of £89,696 (2004: £583,498) remain available to offset against future taxable trading profits.

A deferred tax asset has not been recognised due to the uncertainty of timing of future taxable profits.

Factors affecting tax charge for the year.

The tax assessed for the year is lower than the standard rate of corporation tax in the UK 30% (2004: 30%). The differences are explained as follows :-

	Year ended 31 December 2005 £	Year ended 31 December 2004 £
Profit on ordinary activities before tax	-	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004: 30%)	-	-
Effect of :		
Income not deductible for tax purposes	(1,859)	-
Deferred tax not recognised	(148,141)	-
Chargeable gains	<u>150,000</u>	<u>-</u>
Current tax charge	<u>-</u>	<u>-</u>

4 STAFF COSTS

There were no employees in the Company in the year (31 December 2004: Nil).

NOTES TO THE FINANCIAL STATEMENTS

5	DEBTORS	31 December 2005 £	31 December 2004 £
	Amounts due from other group companies	222,988	222,988
	Other Debtors	10,696	-
		<u>233,684</u>	<u>222,988</u>

All debtors are due within 1 year.

6	CALLED UP SHARE CAPITAL	31 December 2005 £	31 December 2004 £
	Authorised: 100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
	Allotted, called up and not paid: 1 Ordinary share of £1	<u>1</u>	<u>1</u>

7 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	31 December 2005 £	31 December 2004 £
Profit for the year	10,696	-
Opening shareholders' funds	222,988	222,988
Closing shareholders' funds	<u>233,684</u>	<u>222,988</u>

8 ULTIMATE PARENT UNDERTAKING

The Company's ultimate parent company is Baird Holding Company, incorporated in the United States of America. This company is the largest group in which the results of the Company are consolidated, the consolidated financial statements of which may be obtained from 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202-4797, USA.

The smallest group in which the results of the Company are consolidated is that headed by Robert W. Baird Group Limited, the consolidated financial statements of which may be obtained from Mint House, 77 Mansell Street, London E1 8AF.