

Report of the auditors to the members of PHS Investments Limited (continued)

Opinion

In our opinion the balance sheet and related notes give a true and fair view of the state of the company's affairs at 31 March 2001 and have been properly prepared in accordance with the provisions of the Companies Act 1985 which would have applied had the balance sheet been prepared for a financial year of the company.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Cardiff

24 April 2001

Auditors' statement to the directors of PHS Investments Limited under Section 43(3)(b) of the Companies Act 1985

We have examined the balance sheet of PHS Investments Limited at 31 March 2001.

Basis of opinion

The scope of our work for the purpose of this statement was limited to an examination of the relationship between the company's net assets and its called-up share capital and undistributable reserves as stated in the audited balance sheet in connection with the company's proposed re-registration as a public company.

Opinion

In our opinion the balance sheet shows that at 31 March 2001 the amount of the company's net assets was not less than the aggregate of its called-up share capital and undistributable reserves.'

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Cardiff

24 April 2001

