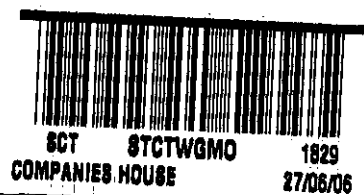


EAC (SCOTLAND) GP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2005



Incorporated in Scotland
Company Number: 0182331

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 31 December 2005.

Principal Activity and Review of Business

The company's principal activity is to act as the General Partner of the EAC (Scotland) Limited Partnership, a Limited Partnership established for the purposes of making private equity investments in the United Kingdom and Western Europe.

Results for the year

The company made a profit before tax for the year ended 31 December 2005 of £33,081 (2004: £35,822). During the year, the directors did not pay a dividend (2004: £Nil). The directors do not propose to pay any further dividend for the year.

Directors and their interests

The directors of the company during the year, none of which had any interest in the shares of the company, were as follows:

CW Robinson
RS Mason
PWE Downes
JM Dean

According to the Register of Directors' Interests, the directors who held office at 31 December 2005 and their families had the following interests in the shares of EAC Holdings Limited, the ultimate parent undertaking:

| | No. held at 31 December 2005 | | | | | No. held at 31 December 2004 | |
|---------------|---------------------------------|--------|--------|--------|---------|---------------------------------|-----------|
| | A Ords | B Ords | C Ords | D Ords | Prefs | Ords | Prefs |
| P.W.E. Downes | 120 | - | 131 | 169 | 410,970 | 251 | 1,027,427 |
| C.W. Robinson | 120 | - | 131 | 1 | 246,582 | 251 | 513,713 |
| R.S. Mason | 120 | - | 131 | 169 | 410,972 | 251 | 513,713 |
| J.M. Dean | - | 32 | 35 | 101 | 164,389 | 67 | - |

REPORT OF THE DIRECTORS continued

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They 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.

Under applicable law the directors are also responsible for preparing a Directors' Report that complies with that law.

Auditors

In accordance with section 386 of the Companies Act 1985, the company has dispensed with the requirement to annually appoint auditors. Accordingly, KPMG Audit Plc are deemed to be reappointed as auditors.

By order of the Board



J.M. Dean
Company Secretary

27 April 2006

Registered Office:

16 Charlotte Square
Edinburgh
EH2 4DF

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EAC (SCOTLAND) GP LIMITED

We have audited the financial statements of EAC (Scotland) GP Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account and Balance Sheet and the related notes. 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 auditor's 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

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (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 other transactions 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 audit 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 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, in accordance with UK Generally Accepted Accounting Practice, of the state 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.



KPMG Audit Plc

Chartered Accountants and Registered Auditor
8 Salisbury Square
London
EC4Y 8BB

27 April 2006

PROFIT AND LOSS ACCOUNT
For the year ended 31st December 2005

| | Notes | 2005 £ | 2004 £ |
|--|-------|----------------|---------------|
| Turnover | 2 | 173,795 | 197,031 |
| Administrative expenses | 4 | (145,960) | (165,796) |
| Gross profit | | 27,835 | 31,235 |
| Interest receivable | 3 | 5,246 | 4,587 |
| Profit on ordinary activities before taxation | 4 | 33,081 | 35,822 |
| Taxation | 5 | 29,179 | (9,255) |
| Retained profit for the year | | 62,260 | 26,567 |
| Retained profit brought forward | | 67,034 | 40,467 |
| Retained profit carried forward | | 129,294 | 67,034 |

The results above were all derived from continuing activities.

The company has no recognised gains and losses other than those reported above and therefore no separate Statement of Total Recognised Gains and Losses has been presented.

The notes on pages 6 to 9 form part of these financial statements.

BALANCE SHEET
As at 31st December 2005

| | Notes | 2005 £ | 2004 £ |
|---|-------|----------------|---------------|
| Current assets | | | |
| Debtors | 6 | 135,194 | 69,034 |
| Cash in hand | | 2 | 2 |
| | | <hr/> | <hr/> |
| | | 135,196 | 69,036 |
| Creditors: amounts falling due within one year | 7 | (5,900) | (2,000) |
| | | <hr/> | <hr/> |
| Total assets | | <u>129,296</u> | <u>67,036</u> |
| Represented by: | | | |
| Called-up share capital | 8 | 2 | 2 |
| Profit and loss account | | 129,294 | 67,034 |
| | | <hr/> | <hr/> |
| Shareholders' funds | 9 | <u>129,296</u> | <u>67,036</u> |

These financial statements were approved by the Board of Directors on 27 April 2006 and signed on its behalf by:

C.W. Robinson



Director

The notes on pages 6 to 9 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st December 2005

1. Accounting policies:

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

Basis of preparation:

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and under the historical cost convention.

Taxation:

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences arising in the treatment of certain items for taxation and accounting purposes. In accordance with FRS19, deferred tax is provided for on a full provision basis. The deferred tax charge has not been discounted.

2. Turnover:

Turnover comprises fees receivable from the EAC (Scotland) Limited Partnership in accordance with the Limited Partnership Agreements.

3. Interest receivable:

Interest receivable comprises interest earned on inter-company accounts.

4. Profit on ordinary activities before taxation:

Profit on ordinary activities before taxation is stated after charging:

| | 2005 £ | 2004 £ |
|---|--------------|--------------|
| Auditor's remuneration – audit services | 1,900 | 2,000 |
| - other services | 5,250 | 1,750 |
| | <u>7,150</u> | <u>3,750</u> |

The company has appointed European Acquisition Capital Limited, a fellow group company, to act as investment manager on behalf of EAC (Scotland) Limited Partnership. The company paid fees during the year of £138,795 (2004: £162,031), under the terms of the Investment Management Agreement.

5. Taxation:

Analysis of the company tax credit in the year:

| | 2005 £ | 2004 £ |
|--|-----------------|--------------|
| UK Corporation tax charge: | | |
| Current charge at tax rate of 30% | (1,743) | 84,494 |
| Over provision in respect of prior years | (27,436) | - |
| Deferred tax charge: | | |
| (Reversal) / origination of timing differences | - | (85,889) |
| Under provision in respect of prior years | - | 10,650 |
| | <u>(29,179)</u> | <u>9,255</u> |

NOTES TO THE FINANCIAL STATEMENTS continued

5. Taxation: *continued*

Factors affecting the Company current tax charge for the current year:

The current tax charge for the period is lower (2004: higher) than the standard rate of corporation tax in the UK of 30% (2004: 30%). The difference is explained below:

| | 2005 £ | 2004 £ |
|---|-------------|-------------|
| Current tax reconciliation: | | |
| Profit on ordinary activities before tax | 33,081 | 35,822 |
| | <hr/> | <hr/> |
| Current tax at 30% (2004: 30%) | 9,924 | 10,747 |
| <i>Effects of:</i> | | |
| Partnership income subject to timing differences | - | 314,413 |
| Excess Management expenses subject to timing differences | - | (228,524) |
| Reversal of prior year group relief surrender | - | (10,650) |
| Effects of partnership income and expenses allocated to the company | (11,667) | (1,492) |
| | <hr/> | <hr/> |
| Total current tax charge (see below) | (1,743) | 84,494 |
| | <hr/> <hr/> | <hr/> <hr/> |

The company has surrendered excess management charges of £1,743 (2004: received £190,194) in group relief to set against their corporation tax liabilities for the year ended 31 December 2005. Group relief is paid for at an amount equivalent to the tax saved by the recipient company.

Factors which may affect company future tax charges:

The level of overall tax charges may be greater or less than 30% depending upon the amount of non-deduction qualifying expenditure and the type of income received from the underlying Limited Partnerships.

Deferred tax liability

| | 2005 £ | 2004 £ |
|-------------------------------------|-------------|-------------|
| At beginning of year | - | 85,889 |
| Profit and loss charge for the year | - | (85,889) |
| | <hr/> | <hr/> |
| | - | - |
| | <hr/> <hr/> | <hr/> <hr/> |

NOTES TO THE FINANCIAL STATEMENTS continued

6. Debtors:

| | 2005 £ | 2004 £ |
|---------------------------------|----------------|---------------|
| Amounts owed by group companies | 135,194 | 69,034 |
| | <u>135,194</u> | <u>69,034</u> |

7. Creditors: amounts falling due within one year:

| | 2005 £ | 2004 £ |
|----------|--------------|--------------|
| Accruals | 5,900 | 2,000 |
| | <u>5,900</u> | <u>2,000</u> |

8. Called-up share capital:

| | 2005 No. | 2005 £ | 2004 No. | 2004 £ |
|--|-------------|-----------|-------------|-----------|
| Authorised: | | | | |
| Ordinary shares of £1 each | 2 | 2 | 2 | 2 |
| | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> |
| Allotted, called-up and fully paid: | | | | |
| Ordinary shares of £1 each | 2 | 2 | 2 | 2 |
| | <u>2</u> | <u>2</u> | <u>2</u> | <u>2</u> |

9. Reconciliation of movement in equity shareholders' funds:

| | 2005 £ | 2004 £ |
|---|----------------|---------------|
| Shareholders' funds at 1 January | 67,036 | 40,469 |
| Retained profit for the financial year | 62,260 | 26,567 |
| | <u>129,296</u> | <u>67,036</u> |
| Shareholders' funds at 31 December | <u>129,296</u> | <u>67,036</u> |

NOTES TO THE FINANCIAL STATEMENTS continued

10. Cash flow statement:

As permitted by FRS1 (revised) Cash Flow Statements, the company is exempt from the requirement to prepare a cash flow statement by virtue of the fact it is 100% owned by a group company which produces a consolidated cashflow statement.

11. Related party transactions:

Under FRS8 Related Party Transactions, the company is exempt from disclosing transactions within the group as it is wholly owned by that group whose consolidated annual financial statements, which include the company's results, are publicly available.

12. Ultimate parent undertaking:

The company is a wholly-owned subsidiary of EAC Group Limited, a company incorporated in Guernsey. The ultimate parent undertaking is EAC Holdings Limited a company incorporated in England and Wales.

Copies of these financial statements can be obtained from European Acquisition Capital Limited, 26 Finsbury Square, London EC2A 1DS.

13. Exemption from preparing group financial statements:

The Company acts as the General Partner of a venture capital Limited Partnership in which the Company has a small participating interest. The limited partnership is a subsidiary undertaking under the Companies Act 1985.

The Company is exempt from the obligation, under section 228 of the Companies Act 1985, to prepare group financial statements and to deliver them to the Registrar of Companies on the grounds that the Company's results have been consolidated in the group financial statements of EAC Group Limited, an intermediate parent company. The ultimate parent company, EAC Holdings Limited, heads the largest higher group of undertakings for which group financial accounts are prepared. Consequently these financial statements present information about the Company as an individual undertaking and not about its group.