

EAC (SCOTLAND) (XL3) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD
FROM 18 JANUARY TO 31 DECEMBER 2001

214870



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Incorporated in Scotland
Company Number: 214870

REPORT OF THE DIRECTORS

The directors present their report and financial statements for the period from 18 January to 31 December 2001.

Principal Activity and Review of Business

The company was incorporated on 18 January 2001.

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

On 30 August 2001, the company entered into an agreement by which it became General Partner to the above Limited Partnership. However, the company remained dormant within the meaning of section 252 of the Companies Act 1985 throughout the period from 18 January 2001 to 31 December 2001.

Results for the period

The company made neither a profit or loss before tax for the period ended 31 December 2001. The Directors do not propose to pay a dividend.

Directors and their interests

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

DM Director Limited	(appointed 18 January 2001, resigned 18 January 2001)
CW Robinson	(appointed 18 January 2001)
RS Mason	(appointed 26 February 2001)
PWE Downes	(appointed 26 February 2001)
JM Dean	(appointed 26 February 2001)

None of the directors of the company had any interest in the shares of the company.

On 23 May 2001, EAC Holdings Limited acquired 100% of the ordinary share capital of EAC Group Limited, the previous ultimate holding undertaking.

According to the Register of Directors' Interests, the directors who held office at 31 December 2001 and their families had the following interests in the shares of EAC Holdings Limited, the ultimate parent undertaking:

	No. held at 31 December 2001		No. held at 23 May 2001	
	Ords	Prefs	Ords	Prefs
P.W.E. Downes	251	1,027,427	251	1,027,427
C.W. Robinson	251	513,713	251	513,713
R.S. Mason	251	513,713	251	513,713
J.M. Dean	37	-	37	-

REPORT OF THE DIRECTORS (continued)

Statement of Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company at the end of the financial period and of the profit or loss for that period.

In preparing those 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;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

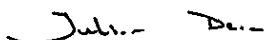
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

The directors have appointed KPMG Audit Plc as the first auditors of the company.

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
Director
24 April 2002

Registered Office:

11 Walker House
Edinburgh
EH3 7NE

**REPORT OF THE INDEPENDENT AUDITORS TO
THE MEMBERS OF EAC (SCOTLAND) (XL3) LIMITED**

We have audited the financial statements on pages 4 to 5.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 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 other information accompanying the financial statements and consider whether it is consistent with those statements. We 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 as at 31 December 2001 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

VIPML Audit Plc

KPMG Audit Plc
Chartered Accountants and Registered Auditor
One Canada Square
London
E14 5AG

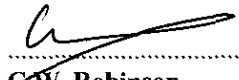
24 April 2002

BALANCE SHEET AS AT 31 DECEMBER 2001

	<u>Notes</u>	2001 <u>£</u>
Current assets		
Amount owed by intermediate holding company		1
		<hr/>
Total assets		1
		<hr/> <hr/>
Represented by:		
Called-up share capital	4	1
		<hr/>
Shareholders' funds		1
		<hr/> <hr/>

For the period since inception to 31 December 2001 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

These financial statements were approved by the Board of Directors on 23 April 2002 and signed on its behalf by:


..... Director
G.W. Robinson

The notes on page 5 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 18 JANUARY TO 31 DECEMBER 2001**

1. Accounting policies:

The financial statements have been prepared on the historical cost convention.

2. Profit and loss account:

The company was dormant (within the meaning of section 252 of the Companies Act 1985) throughout the period from inception until 31 December 2001. Accordingly the company earned no income and incurred no expenses during the period.

No emoluments or company contributions to money purchase schemes were paid to the directors.

3. Auditors' remuneration:

No remuneration was paid to the auditors.

4. Called-up share capital:

	2001 <u>No.</u>	2001 <u>£</u>
Authorised:		
Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>
Allotted, called-up and fully paid:		
Ordinary shares of £1 each	1	1
	<u> </u>	<u> </u>

5. Ultimate parent undertaking:

The company is a wholly-owned subsidiary of EAC Holdings Limited, a company incorporated in England and Wales.

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