

TOPSHIRE LIMITED

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 MARCH 2007**

COMPANY NUMBER 2209662

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TOPSHIRE LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2007

ACTIVITIES AND REVIEW OF THE BUSINESS

The Company is an investment dealing company

RESULTS AND DIVIDENDS

The Company did not trade during the year There is no immediate intention to commence trading

The Directors recommend that no dividend be paid

DIRECTORS

The Directors of the Company during the year were


H N Buchan (resigned 7 July 2006)
M D Couve
A B Davidson (appointed 26 March 2007)
J R Davidson
J M Haldane
D P Kidd

J M Haldane had a non-beneficial interest in one ordinary share of £1 at 31 March 2007 No other Director had an interest in the share capital of the Company The interests of the Directors in office at the end of the year in the capital of the parent company, Shires Income plc, are shown in the financial statements of that company

AUDITORS

A resolution re-appointing KPMG Audit Plc as auditors and authorising the Directors to determine their remuneration will be proposed at the Annual General Meeting

By Order of the Board


for Glasgow Investment Managers Limited

Secretaries

24 May 2007

TOPSHIRE LIMITED

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TOPSHIRE LIMITED

We have audited the financial statements of Topshire Limited for the year ended 31 March 2007 which comprise the Profit and Loss Account, the 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

The directors' responsibilities 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 Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implication for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 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 of the state of the Company's affairs as at 31 March 2007 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Edinburgh
Registered Auditor

24 May 2007

TOPSHIRE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2007

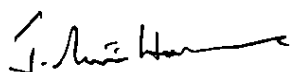
During the financial year and the preceding financial year the Company did not trade and received no income and incurred no expenditure. Consequently, during the years to 31 March 2007 and 31 March 2006 the Company made neither a profit or a loss and the balance of £10,000 brought forward at 1 April 2005 is carried forward.

BALANCE SHEET AS AT 31 MARCH 2007

	Notes	2007 £	2006 £
CURRENT ASSETS			
Amount owed by parent undertaking		10,100	10,100
NET ASSETS		<u>£10,100</u>	<u>£10,100</u>
CAPITAL AND RESERVES			
Called up share capital	2	100	100
Profit and loss account		10,000	10,000
SHAREHOLDERS' FUNDS - EQUITY		<u>£10,100</u>	<u>£10,100</u>

The notes on page 5 form part of these financial statements

Approved by the Board of Directors on 24 May 2007 and signed on its behalf



J M HALDANE, Director

TOPSHIRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2007

1 ACCOUNTING POLICIES

The financial statements of the Company have been prepared under the historical cost convention and in accordance with applicable accounting standards

2	CALLED UP SHARE CAPITAL	2007	2006
	Authorised, issued and fully paid		
	Ordinary shares of £1	£100	£100
		==	==

3 ULTIMATE PARENT UNDERTAKING

The Company is a wholly owned subsidiary of Shires Income plc, a company registered in England and incorporated in Great Britain

Copies of the accounts of Shires Income plc can be obtained from Glasgow Investment Managers Limited, Sutherland House, 149 St Vincent Street, Glasgow G2 5DR

4 CONTINGENT LIABILITIES

The Company has granted floating charges over all of its assets and undertakings as security for the £16,000,000 5% Index-Linked Debenture Stock 2008/2010 issued by its parent undertaking, Shires Income plc