

Investors Finance Company (Holdings) Limited

(previously Walnutview Limited)

Registered number: 3649465

Report and Financial Statements

For the period from 14 October 1998 to 31 March 2000



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Investors Finance Company (Holdings) Limited
(previously Walnutview Limited)
Period ended 31 March 2000

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Investors Finance Company (Holdings) Limited
(previously Walnutview Limited)
Period ended 31 March 2000

Directors' report
for the period from 14 October 1998 to 31 March 2000

The directors present their report and the audited financial statements for the period from 14 October 1998 (incorporation) to 31 March 2000.

Change of company name

The company was incorporated on 14 October 1998 as Walnutview Limited. On 23 February 1999 the company changed its name to Investors Finance Company (Holdings) Limited.

Principal activity

Investors Finance Company (Holdings) Limited is a holding company for the finance company, Investors Finance Company Plc.

Results and business review

The profit and loss account for the period is set out on page 5.

The directors are satisfied with the period end financial position and expect the level of activity to increase in the foreseeable future.

Dividend

The directors do not recommend the payment of a dividend.

Directors and directors' interests

The directors of the company who served throughout the period were:

Roger Finney (resigned 6 March 2000)
Bryan Needham
Peter Hills (appointed 6 March 2000)

Peter Hills acted as alternate director to Bryan Needham until 6 March 2000.

None of the directors held any disclosable beneficial interests in the company at 31 March 2000, or at any time during the period.

Post balance sheet events

On 9 June 2000 the company's subsidiary, Investors Finance Company Plc, issued its first bond for a value of £2,500,000. The bond has an annual interest rate of 6.5% and is redeemable at par on 31 March 2029.

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(previously Walnutview Limited)

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Year 2000

The company has experienced no disruption or malfunctions since the beginning of the period arising from its own computer system or equipment with embedded date-reliant computer chips in relation to the Year 2000 problem.

Statement of directors' responsibilities

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

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 March 2000 and that applicable accounting standards have been followed

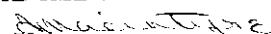
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

PricewaterhouseCoopers have been appointed as auditors to the company. They have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board

For and on behalf of
CLIFFORD CHANCE SECRETARIES LTD


Authorised Signatory

For and on behalf of Clifford Chance Secretaries Limited
Secretary

Investors Finance Company (Holdings) Limited
(previously Walnutview Limited)
Period ended 31 March 2000

Auditors' report to the members of Investors Finance Company (Holdings) Limited

We have audited the financial statements on pages 5 to 10 which have been prepared in accordance with the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Report and Financial Statements. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and 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 United Kingdom Companies Act. 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 required for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Report and Financial Statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of 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.

Investors Finance Company (Holdings) Limited
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Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the Company and of the Group at 31 March 2000 and of the loss of the Group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

21 August 2000

Investors Finance Company (Holdings) Limited
(previously Walnutview Limited)
Period ended 31 March 2000

Consolidated profit and loss account
for the period from 14 October 1998 to 31 March 2000

	<i>Notes</i>	Group Period to 31 March 2000 £
Operating expenses	2	<u>(33,249)</u>
Loss on ordinary activities before taxation		(33,249)
Tax on loss on ordinary activities	5	<u>-</u>
Loss for the period	10	<u>(33,249)</u>

The loss on ordinary activities before taxation relates to continuing activities.


The company has no recognised gains or losses other than those shown in the profit and loss account above and, therefore, no separate statement of total recognised gains and losses has been presented.

Investors Finance Company (Holdings) Limited
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Balance sheets at 31 March 2000

	Notes	Group 2000 £	Company 2000 £
Investments			
Investment in subsidiary undertaking	6	-	50,000
Current assets			
Debtors	7	2	2
Current liabilities			
Creditors: amounts falling due within one year	8	(33,249)	(50,000)
Net current liabilities		(33,247)	(49,998)
Net assets		(33,247)	2
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account	10	(33,249)	-
Equity shareholder's funds	11	(33,247)	2

The financial statements on pages 5 to 10 were approved by the board of directors on
18 August 2000 and were signed on its behalf by: B. J. NEEDHAM



Director

Investors Finance Company (Holdings) Limited

(previously Walnutview Limited)

Period ended 31 March 2000

Notes to the financial statements

1 Principal accounting policies

Basis of preparation

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

Going Concern

At 31 March 2000 the Group had net liabilities. Subsequent to the period end the subsidiary company, the Investors Finance Company Plc, issued a bond for the value of £2,500,000 (see note 14), resulting in the Group having net current assets. The directors, therefore, believe that it is appropriate for the financial statements to be prepared on a going concern basis.

Consolidation

The consolidated financial statements include the company and its subsidiary undertaking.

Cash flow statement

A cash flow statement has not been prepared as the Group has not entered into any cash transactions in the period. Expenses incurred during the period have been settled on its behalf by a third party.

Fixed asset investments

Fixed asset investments are included in the financial statements at cost.

2 Operating expenses

	Group Period to 31 March 2000 £
Administrative expenses	<u>33,249</u>

Investors Finance Company (Holdings) Limited
(previously Walnutview Limited)
Period ended 31 March 2000

Notes to the financial statements

3 Loss on ordinary activities before taxation:

Loss on ordinary activities is stated after charging:

	Group Period to 31 March 2000 £
Auditors' remuneration	
Audit services (company £Nil)	<u>7,000</u>

Fees paid to PricewaterhouseCoopers for non-audit services to the Group were £13,200 (company £Nil).

No staff were directly employed by the company or the group.

4 Directors' emoluments

The directors did not receive any emoluments in respect of their services to the company or the group during the period.

5 Tax on loss on ordinary activities

There is no tax charge for the period due to the losses incurred.

6 Investments

	Group 2000 £	Company 2000 £
Fixed asset investments		
Cost		
Additions during the period	-	50,000
At 31 March 2000	<u>-</u>	<u>50,000</u>

Investments in group undertakings are stated at cost. The company holds 99.9% of the share capital of Investors Finance Company Plc. The Investors Finance Company Plc is a finance company. The company has established a programme for the issue of publicly listed, credit enhanced bonds.

Investors Finance Company (Holdings) Limited
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Notes to the financial statements

7 Debtors

	Group 2000 £	Company 2000 £
Amounts owed from parent undertaking	<u>2</u>	<u>2</u>

8 Creditors – Amounts falling due within one year

	Group 2000 £	Company 2000 £
Trade creditors	9,000	-
Amounts owed to group undertakings	-	50,000
Other creditors	9,341	-
Accruals	14,908	-
	<u>33,249</u>	<u>50,000</u>

9 Called up share capital

	Group 2000 £	Company 2000 £
Authorised, issued, allotted, called up and fully paid ordinary shares of £1 each	<u>2</u>	<u>2</u>

The shares were issued on incorporation at par.

10 Profit and loss

	Group 2000 £	Company 2000 £
Loss for the financial period	(33,249)	-
Retained loss at 31 March 2000	<u>(33,249)</u>	<u>-</u>

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Notes to the financial statements

11 Reconciliation of movements in shareholder's funds

	Group 2000 £	Company 2000 £
Issue of share capital	2	2
Loss for the financial period	(33,249)	-
Shareholder's funds at 31 March 2000	<u>(33,249)</u>	<u>2</u>

12 Ultimate parent undertaking and controlling party

The directors regard the shareholder, the Royal Exchange Trust Company Limited, a company registered in England and Wales, as the ultimate parent undertaking and controlling party.

13 Company profit and loss account

As permitted by Section 230 of the Companies Act 1985, the company's profit and loss account has not been included in these financial statements. The results of the company for the financial period amounted to £Nil.

14 Post balance sheet events

On 9 June 2000 the company's subsidiary, Investors Finance Company Plc, issued its first bond for a value of £2,500,000. The bond has an annual interest rate of 6.5% and is redeemable at par on 31 March 2029.