Company Number: 3671688

RFML INVESTMENT FUND LIMITED

REPORT AND ACCOUNTS

31 DECEMBER 2001

Contents

Directors and Officers

Directors

M R F Langdon	Chairman
C B Dowling	Managing Director
N D Morrill	
P I Cartwright	
M J R Harris	

Secretary
N A Moss

Registered office
Rutland House
Rutland Gardens
London
SW7 1BX

Registered number
3671688

Auditors
KPMG Audit Plc
8 Salisbury Square
London
EC4Y 8BB

Directors' Report
For the Year Ended 31 December 2001

The directors present their report and the audited financial statements for the year ended 31 December 2001.

Principal activities
The Company's principal activity is that of a Private equity fund manager and General Partner of a limited partnership which makes private equity investments. Further details are given in Note 8. It is the intention of the Board that the Company will continue its current activities in the foreseeable future.

Results and dividends
The profit on ordinary activities for the year, after taxation, amounted to £1,000 (2000 : £11,000). The directors do not recommend the payment of a final dividend (2000 : £8,000). The amount transferred to reserves is £1,000 (2000 : £3,000).

Directors
None of the directors of the company held any beneficial interests in the issued ordinary share capital of the company during the year. The beneficial interests of the directors in the share capital of the ultimate parent undertaking, Rutland Fund Management Limited, are disclosed in the Report and Accounts of that company.

Directors' and officers' liability insurance
The ultimate parent undertaking maintains a Directors' and Officers' Liability Insurance policy in respect of the directors and officers.

Auditors
During the year the Board of Directors decided it appropriate to review the audit arrangements of the Company. Accordingly submissions for the audit were considered from leading firms including PricewaterhouseCoopers. The directors, after careful consideration, appointed KPMG Audit Plc on 13 December 2001 and in accordance with Section 385 of the Companies Act 1985 a resolution to approve KPMG Audit Plc as auditors will be submitted to the Annual General Meeting. PricewaterhouseCoopers resigned as auditors on 13 December 2001and have indicated that there are no circumstances connected with their resignation which they consider should be brought to the notice of the members of the Company.

Regulatory authority
The Company is regulated by the Financial Services Authority (previously regulated by the Investment Management Regulatory Organisation until the restructuring of the regulatory regime on 1 December 2001).

Taxation
The Company is considered to be a close company under the provisions of the Income and Corporation Taxes Act 1988.

Fixed assets
Changes in fixed asset investments are set out in note 8.

Directors' Report (continued)

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 of the profit or loss for that year. 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; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

N A Moss
Company Secretary
21 March 2002

Independent Auditor's report to the members of RFML Investment Fund Limited

We have audited the financial statements on pages 5 to 10.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, 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.

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 profit 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
Registered Auditors
21 March 2002

8 Salisbury Square,
London EC4Y 8BB

Profit and Loss Account
For the year ended 31 December 2001

	Notes	**2001 £000**	2000 £000
Turnover	2	**1,081**	401
Administrative expenses	3	**(1,080)**	(397)
Operating profit		**1**	4
Interest receivable		**16**	7
Profit on ordinary activities before taxation	5	**17**	11
Taxation on ordinary activities	6	**(16)**	-
Profit on ordinary activities after taxation		**1**	11
Dividends	7	**-**	(8)
Retained profit for the financial year		**1**	3

The results for 2000 relate to the period from commencement of trading on 12 May 2000 to 31 December 2000.

All results shown in the above profit and loss account are from continuing operations.

The Company has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

In respect of the profit on ordinary activities before taxation and the retained profit for the year, there is no difference between the figures stated above and their historical cost equivalents.

The notes on pages 7 to 10 form part of the financial statements.

Balance Sheet
At 31 December 2001

	Notes	2001 £000	2000 £000
Fixed assets			
Investments	8	-	-
		-	-
Current assets			
Debtors	9	89	2
Cash at bank and in hand		2	6
		91	8
Creditors : amounts falling due within one year	10	(66)	-
Net current assets		25	8
Total assets less current liabilities		25	8
Provisions for liabilities and charges	11	(16)	-
Net assets		9	8
Capital and reserves			
Called up share capital	12	5	5
Profit and loss account	13	4	3
Total equity shareholders' funds	14	9	8

The notes on pages 7 to 10 form part of the financial statements.

The financial statements on pages 5 to 10 were approved by the board of directors on 21 March 2002 and were signed on its behalf by:

C B Dowling ....

Notes to the Financial Statements
For the Year Ended 31 December 2001

1. Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

(i) Basis of accounting
The financial statements have been prepared on the going concern principle on the basis that the shareholders have confirmed their financial commitment to the Company ensuring all obligations of the Company will be met as and when they fall in for the foreseeable future. The financial statements are prepared in accordance with the historical cost convention.

(ii) Limited Partnership Fund
The Company manages as General Partner a venture capital Limited Partnership, details of which are given in Note 8. Investments held through the Limited Partnership are made with the express intention of capital appreciation. The Company's investment in the Limited Partnership is held at cost less any permanent impairment in value.

(iii) Turnover
Turnover is stated net of related value added tax and is accounted for when it becomes due.

(iv) Deferred tax
Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. The provision is maintained to the extent that timing differences are not expected with reasonable probability to continue into the forseeable future.

2. Turnover

As General Partner of Rutland Fund A, the Company is entitled to receive a priority profit share at the rate of 2% per annum on the total funds committed to this partnership as adjusted to take account of relevant fees credited and expenses charged in respect of the Partnership. The priority profit share receivable is accounted for by the Company as turnover.

3. Administrative expenses

	2001	2000
	£000	£000
Administrative costs recharged from parent undertaking (note 4)	**1,075**	396
Other expenses	**5**	1
	1,080	397

4. Employee information

The Company had no direct employees during the year. The directors were employed and remunerated by the parent undertaking, and their services, together with the services of other employees of the parent undertaking and share of other overheads, were charged to the Company under a consultancy and secondment agreement.

Notes to the Financial Statements (continued)

5. Profit on ordinary activities before taxation

The auditor's remuneration is borne by the parent undertaking.

6. Taxation

	2001	2000
	£000	£000
UK Corporation tax at 20% on taxable profits	-	-
Deferred tax	**16**	-
	16	-

7. Dividends

	2001	2000
	£000	£000
Final dividend proposed	-	8
	-	8

8. Investments

	2001	2000
	£000	£000
At cost		
Investment in Limited Partnership	-	-
	-	-

The Company is the General Partner of Rutland Fund A, a limited partnership which is incorporated in the UK and registered in England and Wales. The Company holds an investment of £1 as a Limited Partner in the limited partnership.

9. Debtors

	2001	2000
	£000	£000
Amount due from parent undertaking	**87**	2
Prepayments and accrued income	**2**	-
	89	2

Notes to the Financial Statements (continued)

10. Creditors: amounts falling are within one year

	2001 £000	2000 £000
Accruals and deferred income	**66**	-
	66	-

11. Provisions for liabilities and charges

	2001 £000	2000 £000
Deferred tax – short-term timing differences	**16**	-
	16	-
The movement in deferred tax provision comprises:		
At 1 January 2001	-	
Profit and loss account	16	
At 31 December 2001	**16**	

12. Share Capital

	£000
Authorised, allotted, called up and fully paid	
5,000 ordinary shares of £1 each	
At 31 December 2001 and 31 December 2000	5

13. Profit and loss account

	£000
At 1 January 2001	3
Retained profit for the year	1
At 31 December 2001	**4**

14. Reconciliation of movements in shareholders' funds

	£000
Profit for the financial year	1
Net movement during the year	1
Shareholders' funds at 1 January 2001	8
Shareholders' funds at 31 December 2001	**9**

Notes to the Financial Statements (continued)

15. Related party transactions

(i) As described in Note 2, the Company is the General Partner of Rutland Fund A. It is entitled to receive a priority profit share, at the rate of 2% per annum on total funds committed to this partnership. The priority profit share represents all of the Company's turnover.

(ii) The Company has taken advantage of the exemption under FRS 8 "Related Party Disclosures" from disclosing all transactions or balances between entities within the Rutland Fund Management Limited group that have been eliminated on consolidation in the consolidated accounts of the ultimate parent undertaking.

16. Cash flow statement

The Company has not prepared a cash flow statement under the exemption contained in FRS1 "Cash Flow Statements" applicable to the Company, being a wholly owned subsidiary undertaking. A consolidated cash flow statement is included in the consolidated accounts of the ultimate parent undertaking.

17. Ultimate parent undertaking

The ultimate parent undertaking is Rutland Fund Management Limited, which is registered in England. This is the parent undertaking of the only group to consolidate the accounts of the Company. A copy of the consolidated accounts of Rutland Fund Management Limited may be obtained from the Secretary, Rutland House, Rutland Gardens, London, SW7 1BX.

18. Exemption from preparing group financial statements

As disclosed in note 8, the company manages a venture capital limited partnership in which it has a participating interest, albeit small, and for which it acts as the General Partner. This 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 Rutland Fund Management Limited. Consequently these financial statements present information about the Company as an individual undertaking and not about its group.

Limited Partnership Number: LP 6899

RUTLAND FUND A

REPORT AND ACCOUNTS

31 DECEMBER 2001

Contents

General Partner's Report

Partnership Agreement
The Partnership was formed on 9 May 2000 as a UK limited partnership under the Limited Partnership Act 1907 for the purposes of making private equity and related investments. The Partnership Agreement provides for a term of ten years from 30 March 2001, its Final Closing Date, although the life of the Partnership may be extended for up to two years.

General Partner
The General Partner is RFML Investment Fund Limited, whose registered address is Rutland House, Rutland Gardens, London SW7 1BX. RFML Investment Fund Limited were regulated by The Financial Services Authority.

Financial statements
The financial statements which follow are made up for the year ended 31 December 2001.

Funds committed
Rutland Fund A will be invested via a co-investment relationship with certain other limited partnerships which are collectively known as "The Rutland Fund" and together provide a combined fund of £210 million. The Rutland Fund held its final closing on 30 March 2001. The total funds committed to The Rutland Fund by the Limited Partners of Rutland Fund A at 31 December 2001 were £107.45 million.

Investments
In July 2001, the acquisition of Edinburgh Woollen Mill was completed, in which Rutland Fund A invested £11.5 million. The combined value of the investments made by Rutland Fund A at 31 December 2001, *including the investments in Wolstenholme Group Ltd and Openshaw Group Ltd, which were made in* August 2000, was £25.9 million. Further details are set out in note 5 to the financial statements.

Auditors
During the year the General Partner decided it appropriate to review the audit arrangements of the partnership. Accordingly submissions for the audit were considered from leading firms including PricewaterhouseCoopers. After careful consideration KPMG Audit Plc were appointed as auditors on 13 December 2001. PricewaterhouseCoopers resigned as auditors on 13 December 2001and have indicated that there are no circumstances connected with their resignation which they consider should be brought to the notice of the Limited Partners.

Statement of Responsibilities of the General Partner

The Partnership Agreement requires the General Partner to prepare financial statements for each financial year, which present the state of affairs of the Limited Partnership and the income or deficit for that period. In preparing these financial statements, the General Partner is required to:

- Select suitable accounting policies which conform with generally accepted accounting practice in the United Kingdom and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Limited Partnership will continue in business.

The General Partner is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Limited Partnership and enable it to ensure that the financial statements comply with the Limited Partnership Agreement. It also has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Limited Partnership and prevent and detect fraud and other irregularities.

The General Partner confirms that the financial statements comply with the above requirements.

Signed for and on behalf of the General Partner

C B Dowling ....

Independent Auditor's report to the Partners of Rutland Fund A

We have audited the financial statements on pages 4 to 11.

Respective responsibilities of the General Partner and auditors

The General Partner is responsible for preparing the report and, as described on page 2, the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by the Limited Partnership Agreement, 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 Partnership Agreement dated 9 May 2000. We also report to you if, in our opinion, the General Partner 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 the Partnership Agreement regarding transactions is not disclosed.

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 General Partner in the preparation of the financial statements, and of whether the accounting policies are appropriate to the terms of the Partnership Agreement, 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 Partnership's affairs as at 31 December 2001 and of its income for the year then ended and have been properly prepared in accordance with the Partnership Agreement dated 9 May 2000.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditors
21 March 2002

8 Salisbury Square,
London EC4Y 8BB

Balance Sheet
At 31 December 2001

	Notes	**31 Dec 2001 £000**	31 Dec 2000 £000
Investments			
Unquoted investments	5	**25,930**	13,745
Current assets			
Debtors	6	**721**	332
Cash		**13**	11
		734	343
Creditors: amounts falling due within one year	7	**(62)**	(24)
Net current assets		**672**	319
Net assets		**26,602**	14,064
Partners' accounts			
Capital contribution		**13**	9
Limited Partners' Loan accounts		**29,466**	15,665
Income account		**(2,127)**	(860)
Capital account	8	**(750)**	(750)
Capital and reserves		**26,602**	14,064

The notes on pages 8 to 11 form part of these financial statements.
The financial statements on pages 4 to 11 were approved by the board of directors of the General Partner, RFML Investment Fund Limited, on 21 March 2002 and were signed on its behalf by:

C B Dowling ....

Income Account
For the year ended 31 December 2001

	2001	2000
	£000	£000
Income		
Interest on investments	**850**	332
Bank interest	**5**	2
	855	334
Expenses		
Legal and professional fees	**70**	24
	70	24
Net surplus on Income Account	**785**	310
Priority profit share charge	**(2,052)**	(1,170)
Net deficit for the year	**(1,267)**	(860)
Allocated as follows:		
Income accounts		
General Partner	**(296)**	(92)
Founder Partner	**(971)**	(768)
Limited Partner	**-**	-
Net deficit for the year	**(1,267)**	(860)

The results for 2000 comprise the period 12 May 2000 to 31 December 2000.

The net surplus on Income Account arises from continuing activities.

The notes on pages 8 to 11 form part of these financial statements.

Statement of Recognised Gains and Losses
For the year ended 31 December 2001

	Notes	**2001** £000	2000 £000
Net surplus on Income Account for the year		**785**	310
Formation expenses	8	**-**	(750)
Total recognised gains / (losses) for the year		**785**	(440)

The results for 2000 comprise the period 12 May 2000 to 31 December 2000.

The notes on pages 8 to 11 form part of these financial statements.

Partners' Accounts
For the year ended 31 December 2001

	Capital *contribution*	Limited *Partners'* Loan accounts	Income *account*	Capital account	Total
	£000	£000	£000	£000	£000
General Partner					
At 1 January 2001	-	-	(92)	-	**(92)**
Priority profit share	-	-	(1,081)	-	**(1,081)**
Net surplus on income account	-	-	785	-	**785**
At 31 December 2001	**-**	**-**	**(388)**	**-**	**(388)**
Founder Partners					
At 1 January 2001	-	-	(768)	-	**(768)**
Priority profit share	-	-	(971)	-	**(971)**
Cash paid by Founder Partners	3	-	-	-	**3**
At 31 December 2001	**3**	**-**	**(1,739)**	**-**	**(1,736)**
Limited Partners					
At 1 January 2001	9	15,665	-	(750)	**14,924**
Cash paid by Limited Partners	1	14,302	-	-	**14,303**
Cash repaid to Limited Partners	-	(501)	-	-	**(501)**
At 31 December 2001	**10**	**29,466**	**-**	**(750)**	**28,726**
Total					
At 1 January 2001	9	15,665	(860)	(750)	**14,064**
Cash paid by Founder Partners	3	-	-	-	**3**
Cash paid by Limited Partners	1	14,302	-	-	**14,303**
Cash repaid to Limited Partners	-	(501)	-	-	**(501)**
Priority profit share	-	-	(2,052)	-	**(2,052)**
Net surplus on income account	-	-	785	-	**785**
At 31 December 2001	**13**	**29,466**	**(2,127)**	**(750)**	**26,602**

The allocation of the income account and capital account has been made in accordance with the Partnership Agreement.

Notes to the Financial Statements
For the year ended 31 December 2001

1. Partnership Agreement

Under the terms of the Partnership Agreement, the first charge on the net income of the partnership in any accounting period shall be the General Partner's profit share. The profit share shall be equal to 2% per annum of the total fund commitments until the fifth anniversary following the Final Closing Date i.e. until 30 March 2006. From this date the profit share is reduced to 1.5% per annum of the funds invested by the partnership as reduced by the cost of investments realised or permanently written off. The General Partner shall be entitled to draw down profit share six monthly in advance on 1 January and 1 July. Transaction, monitoring and directors' fees will be retained by the General Partner and offset against the profit share subject to a predefined formula set out in the Partnership Agreement.

The payment of the General Partner's profit share will be made out of net income and capital gains unless these are insufficient, in which case, until there are sufficient net income and capital gains to satisfy the General Partner's profit share, the Partnership will advance to the General Partner on an ongoing, interest-free basis, sums equivalent to the General Partner's profit share. Sums advanced are not recoverable from the General Partner other than by allocation of net income and capital gains.

The priority profit share has been treated as an expense in accordance with Financial Reporting Standard 5. The 2000 comparatives have been adjusted to reflect this treatment in the Income Account, but there is no change to the Partner's accounts.

A carried interest is payable to one of the Founder Partners and is calculated in accordance with the terms of the Partnership Agreement.

2. Accounting Policies

Basis of preparation
Accounts are prepared under the historical cost convention adjusted where appropriate for the revaluation of investments, and in accordance with applicable accounting standards in the United Kingdom.

As permitted by The Partnerships and Unlimited Companies (Accounts) Regulations 1993, the Partnership has taken advantage of the exemption from Regulations 4 to 6 conferred by Regulation 7 and is not preparing accounts in a format consistent with the requirements of the Companies Act 1985.

Income
Bank interest receivable is recognised on an accruals basis. Fixed returns on non-equity shares and debt securities are recognised on a time-apportionment basis so as to reflect the effective yield. Other returns on non-equity shares are recognised when the right to the return is established. Where reasonable doubt exists that accrued income may not eventually be received, this income is recognised on a receipts basis only.

Investment valuation
Investments are valued by the General Partner in accordance with the general principles set out below:

(i) ***Quoted investments***
Quoted investments are valued at mid-market value.

Notes to the Financial Statements (continued)

(ii) Unquoted investments

In valuing unlisted investments the General Partner follows a number of general principles based upon the British Venture Capital Association guidelines.

- In light of the principal strategic objective to invest in businesses which face difficult commercial or financial challenges, the short term trading situation is not necessarily indicative of an investment's underlying commercial value. The General Partner consequently believes that it is appropriate for investments to be held at cost for two years after acquisition unless it is believed that there are compelling reasons to the contrary. The two main reasons to adjust the initial carrying cost valuation would be either a permanently impaired trading outlook or a specific event giving rise to a material change in economic value such as a realisation, refinancing or an offer.

- Investments held for more than two years are valued according to one of the following bases:
  1. Cost (less any provision required);
  2. Open market valuation;
  3. Earnings multiple; or
  4. Net assets.

- Generally the earnings multiple basis of valuation will be used unless this is inappropriate as in the case of certain asset-based businesses. When valuing on an earnings basis, profits before interest and tax of the current year will normally be used, depending on whether or not more than six months of the accounting period remains and the predictability of future profits. Such profits will be adjusted to a maintainable basis, taxed at the full corporation tax rate, and multiplied by a discounted price/earnings multiple. Price/earnings multiples utilised are usually related to comparable quoted companies and are normally discounted by 25 per cent. The discount used may be lower where, for example, a realisation is planned within 12 months and higher if the timing of a realisation is long term or not currently being contemplated.

- Where a company has incurred losses, or if comparable quoted companies are not primarily valued on an earnings basis, then the valuation may be calculated with regard to the underlying net assets and any other relevant information, such as the pricing for subsequent investments by a third party in a new financing round which is deemed to be at arms length. In cases where an exit is actively being sought then any offers from potential purchasers would be relevant in assessing the valuation of an investment and are a factor taken into account in arriving at the valuation.

- When investments have obtained an exit (either by listing or trade sale) after the valuation date but before finalisation of the audited accounts, the valuation is based on the exit valuation subject to an appropriate discount to take account of the time period between valuation and exit dates. In arriving at the value of an investment, the percentage ownership is calculated after taking into account any dilution through outstanding warrants, options and performance related mechanisms.

3. Taxation

The Partnership is not subject to income taxes as all income and expenses of the Partnership flow through to each Partner individually.

Notes to the Financial Statements (continued)

4. Priority profit share

	2001	2000
	£000	£000
Paid to General Partner	**1,081**	402
Paid to Founder Partner	**971**	768
	2,052	1,170

One of the Founder Partners is entitled to a proportion of priority profit share, based on the level of funds committed to the partnership.

5. Investments – unquoted

Cost and Valuation	**2001**	2000
	£000	£000
At 1 January 2001	**13,745**	-
Acquisitions	**11,504**	13,745
Additional investment on Final Closing	**681**	-
At 31 December 2001	**25,930**	13,745

Unquoted investments

		2001		2000
	Percentage Holding	**Cost £000**	Percentage holding	Cost £000
Wolstenholme Group				
Ordinary shares	**30.8%**	**308**	29.3%	293
Unsecured loan notes	**47.2%**	**7,123**	44.9%	6,786
		7,431		7,079
Openshaw Group				
Ordinary shares	**43.6%**	**436**	41.5%	416
Unsecured loan notes	**51.3%**	**6,559**	48.8%	6,250
		6,995		6,666
Edinburgh Woollen Mill				
Ordinary shares	**47.1%**	**290**	-	-
Unsecured loan notes	**51.3%**	**11,214**	-	-
		11,504		-
Total at 31 December 2001		**25,930**		13,745

Notes to the Financial Statements (continued)

6.	Debtors	2001	2000
		£000	£000
	Interest receivable from investments	**656**	332
	Prepayments and accrued income	**65**	-
		721	332

7.	Creditors: amounts falling due within one year	2001	2000
		£000	£000
	Accruals and deferred income	**62**	24
		62	24

8. Formation Expenses

The Capital account comprises formation expenses of £750,000 incurred in establishing the partnership which under the terms of the Partnership Agreement are borne by the Limited Partners. The costs incurred will be recoverable by the Limited Partners from future capital gains.

9. Partners' Commitments

Following the Final Closing on 30 March 2001, the Limited Partners have committed total funds of £107.45 million of which £29.48 million has been drawn down as at 31 December 2001. The remaining unpaid commitments may be drawn down by the General Partner giving 10 business days' written notice.

10. Co-investment Agreement

The partnership has entered into a co-investment agreement with three other limited partnerships, The Rutland Partnership, Rutland CCLP and Rutland Park Avenue LP. These parties are collectively known as "The Rutland Fund". The co-investment agreement requires that all partnerships of The Rutland Fund shall be entitled and bound to co-invest on the same terms and conditions and in proportion to their respective commitments.

11. Cash Flow Statement

In accordance with Financial Reporting Standard 1, "Cash flow statements", the partnership is exempt from preparing a cash flow statement.