

GRANVILLE BAIRD MANAGERIAL LIMITED

**Financial Statements for the year ended 31 December 2001 together with
Directors' and Auditors' Reports**



Directors: M J O Proudlock
M W Fell

Secretary: Granville Baird Secretaries Limited

Registered Office: Mint House
77 Mansell Street
London E1 8AF

REPORT OF THE DIRECTORS

The Directors present their report, together with the audited financial statements of the Company for the year ended 31 December 2001.

PRINCIPAL ACTIVITY OF THE COMPANY

The principal activity of the Company is the holding of investments.

RESULTS AND DIVIDENDS

The Company did not make a profit or loss after taxation for the year to 31 December 2001 (year ended 31 December 2000: £Nil). No Profit and Loss account is prepared for the Company as the Company had no trading results for the year. The Directors do not propose to pay a dividend in respect of 2001 (31 December 2000: £Nil).

DIRECTORS AND THEIR INTERESTS

The Directors who served during the year are shown above. The Directors who held office on 31 December 2001 had no interests in the share capital of the Company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

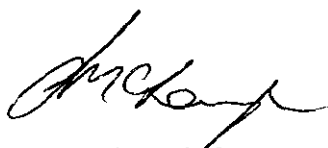
Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that year. In preparing the financial statements, the Directors are required to:

- 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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)

The Directors are responsible for maintaining 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 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



For and on behalf of
Granville Baird Secretaries Limited
Secretary

24 June 2002

Independent auditors' report to the shareholders of Granville Baird Managerial Limited

We have audited the financial statements of Granville Baird Managerial Limited for the year ended 31 December 2001 which comprise the Profit and loss account, the Balance sheet and the related notes numbered 1 to 9. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of directors' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' report. We consider the implications 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 opinion

We conducted our audit in accordance with United Kingdom 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 circumstances of the company, 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 affairs of the company at 31 December 2001 and of the company's result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors
180 Strand
London
WC2R 1BL
24th June 2002

GRANVILLE BAIRD MANAGERIAL LIMITED
PROFIT AND LOSS ACCOUNT

During the financial year, the Company did not trade and received no income and incurred no expenditure. Consequently, during the year, the Company made neither a profit nor a loss. There have been no recognised gains or losses in the year and there is no difference between the results for the year and the retained results on a historical cost basis.

GRANVILLE BAIRD MANAGERIAL LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2001

	Notes	31 December 2001 £	31 December 2000 £
FIXED ASSETS			
Investments	4	45	45
CURRENT ASSETS			
Debtors	5	1	1
CREDITORS: Amounts falling due within one year	6	<u>(45)</u>	<u>(45)</u>
NET CURRENT LIABILITIES		(44)	(44)
NET ASSETS		<u>1</u>	<u>1</u>
CAPITAL AND RESERVES			
Called up share capital	7	1	1
EQUITY SHAREHOLDERS' FUNDS	8	<u>1</u>	<u>1</u>

The financial statements were approved by the Board of Directors on 24 June 2002 and signed on their behalf by:



M J O Proudlock
Director

The notes on pages 6 and 7 are an integral part of the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

A summary of the principal accounting policies are set out below. These have been applied consistently throughout the year and in the preceding period.

- a) **Basis of preparation** - The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.
- b) **Investments** - Investments are shown at cost less provision for impairment.
- c) **Cash flow statement** - The Company has taken advantage of the exemption from the requirement of Financial Reporting Standard No 1 (revised) to prepare a cash flow statement as during the year it was a wholly owned subsidiary undertaking of Robert W. Baird Group Limited, whose consolidated financial statements include those of the Company and are publicly available.
- d) **Related party transactions** - The Company has taken advantage of the exemptions available under Financial Reporting Standard 8, "Related Party Disclosures", not to disclose transactions with its parent and fellow subsidiary undertakings.

2 PROFIT ON ORDINARY ACTIVITIES

No Directors received remuneration during the year. Audit fees are borne by Robert W. Baird Group Limited.

3 STAFF COSTS

There were no employees in the Company in the year (31 December 2000: Nil).

4 INVESTMENTS

31 December 2001 £	31 December 2000 £
--------------------------	--------------------------

Investment in Granville Private Equity Deutschland (General Partner) and Granville Private Equity Manager UK (General Partner) SLP

45	45
----	----

These UK partnerships are the general partners to certain private equity funds which primarily invest in unquoted companies in the UK, Spain and Germany.

5 DEBTORS

31 December 2001 £	31 December 2000 £
--------------------------	--------------------------

Amounts due from parent company for unpaid capital

1	1
---	---

All debtors are due within 1 year.

NOTES TO THE FINANCIAL STATEMENTS

6	CREDITORS - amounts falling due within one year	31 December	31 December
		2001	2000
		£	£
	Amounts due to other group companies	<u>45</u>	<u>45</u>
7	CALLED UP SHARE CAPITAL	31 December	31 December
		2001	2000
		£	£
	Authorised:		
	100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
	Allotted and called up:		
	1 Ordinary share of £1 each	<u>1</u>	<u>1</u>
8	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	31 December	31 December
		2001	2000
		£	£
	Profit for the year	-	-
	Opening shareholders' funds	<u>1</u>	<u>1</u>
	Closing shareholders' funds	<u>1</u>	<u>1</u>

9 ULTIMATE PARENT UNDERTAKING

The Company's ultimate parent company is The Northwestern Mutual Life Insurance Company, incorporated in the United States of America. This company is the largest group in which the results of the Company are consolidated, whose consolidated financial statements may be obtained from 777 East Wisconsin Avenue, Milwaukee, Wisconsin 53202-4797, USA.

The smallest group in which the results of the Company are consolidated is that headed by Robert W. Baird Group Limited, the consolidated financial statements of which may be obtained from Mint House, 77 Mansell Street, London E1 8AF.