

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or the action to be taken, you should immediately consult your stockbroker, bank manager, -solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your Ordinary Shares please send this document at once to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

Application has been made to the UK Listing Authority for the Initial Consideration Shares to be admitted to the Official List. It is expected that such admission will become effective and that dealings in the Initial Consideration Shares will commence on the London Stock Exchange's market for listed securities, on which the existing issued Ordinary Shares are dealt, on 11 April 2005.

The professional advisers to the Company named in this document are acting exclusively for the Company in relation to the Acquisition and will not be responsible to any other person for providing the protections afforded to their customers or for providing advice to any other person in relation to the contents of this document.

Walker, Crips, Weddle, Beck plc

(Incorporated in England and Wales under the Companies Act 1985 with registered number 1432059)

Proposed acquisition of the entire issued share capital of G&E Investment Services Limited

and

Notice of Extraordinary General Meeting

Notice of an Extraordinary General Meeting of the Company to be held at Sophia House, 76/80 City Road, London EC1Y 2EQ on 6 April 2005 at 11.00 am is set out on page 33 of this document. To be valid, forms of proxy for use at the EGM must be completed in accordance with the instructions printed thereon and returned to the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, so as to arrive not later than 48 hours before the time appointed for the holding of the EGM.

CONTENTS

	<i>Page</i>
Part I Letter from the Chairman	4
Part II Summary of the terms of the Acquisition	8
Part III Accountants' Report on G&E Investment Services Limited	10
Part IV Unaudited pro forma statement of net assets of the Enlarged Group	22
Part V Additional Information	25
Notice of Extraordinary General Meeting	33
Form of Proxy	35

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time for receipt of forms of proxy for the EGM	11 am on 4 April 2005
EGM	11 am on 6 April 2005
Expected date of Completion	7 April 2005

DEFINITIONS

<i>“Acquisition Agreement”, or “Acquisition”</i>	Conditional Agreement dated 11 February 2005 between WCWB and the Vendors
<i>“ARM” or the ‘Sponsor’</i>	ARM Corporate Finance Limited, Sponsor to the Company
<i>“Company” or “WCWB”</i>	Walker, Crips, Weddle, Beck plc
<i>“Completion”</i>	completion of the Acquisition
<i>“Consideration Shares”</i>	the Initial Consideration Shares and the Further Consideration Shares
<i>“Directors”</i>	the directors of the Company at the date of this document whose names appear on page 4
<i>“EGM”</i>	the Extraordinary General Meeting of the Company to be held on 6 April 2005, notice of which is set out on page 33 of this document
<i>“Enlarged Group”</i>	WCWB and its subsidiary undertakings following Completion
<i>“Existing Group”</i>	WCWB and its subsidiary undertakings at the date of this document
<i>“Foss” or “Foss Properties”</i>	Foss Properties Limited, a wholly owned subsidiary of G&EIS
<i>“FSA”</i>	the Financial Services Authority
<i>“Further Consideration Shares”</i>	the new Ordinary Shares to be allotted, credited as fully paid , to the Vendors following determination of the profit after tax of G&EIS for the financial year ending 31 March 2008, pursuant to the Acquisition Agreement
<i>“G&EIS”</i>	G&E Investment Services Limited
<i>“G&EIS Group”</i>	G&EIS and its subsidiary undertakings at the date of this document other than Foss Properties Limited
<i>“Initial Consideration Shares”</i>	the 800,000 new Ordinary Shares to be allotted, credited as fully paid up, to the Vendors upon Completion pursuant to the Acquisition Agreement
<i>“London York Group”</i>	The trading subsidiaries of the G&EIS Group
<i>“London Stock Exchange”</i>	London Stock Exchange plc
<i>“Official List”</i>	the Official List of the UK Listing Authority
<i>“Ordinary Shares”</i>	ordinary shares of 20p each in the capital of the Company
<i>“Proposed Directors”</i>	David Hetheron and Robert Elliott
<i>“Resolution”</i>	the resolution to be proposed at the EGM
<i>“Shareholders”</i>	holders of Ordinary Shares
<i>“UK Listing Authority”</i>	a division of the F S A acting in its capacity as the competent authority for the purposes of the Financial Services and Markets Act 2000
<i>“Vendors”</i>	David Hetheron and Rebecca Hetheron, Richard Byfield, Nigel Skelton and Michelle Skelton, Michael Backhouse, Robert Elliott, being the holders of the entire issued share capital of G&EIS

PART I

LETTER FROM THE CHAIRMAN

Walker, Crips, Weddle, Beck plc

(Incorporated in England and Wales under the Companies Act 1985 with registered number 1432059)

Registered office:

Sophia House
76/80 City Road
London EC1Y 2EQ

Directors:

Graham Norbert Kennedy CVO (*Non-Executive Chairman*)
Michael John Sunderland (*Chief Executive Officer*)
Stephen John Bailey (*Investment Director*)
Rodney Arnold FitzGerald FCA (*Finance Director*)
Sean Kin Wai Lam CPA (*Chief Operating Officer*)
Lim Hua Min (*Non-Executive Director*)
Loh Hoon Sun FCPA (*Non-Executive Director*)
William Howard Saunders (*Non-Executive Director*)
Martin James Wright (*Non-Executive Director*)

To the Holders of Ordinary Shares

21 March 2005

Dear Shareholder

**Proposed acquisition of the entire issued share capital of
G&E Investment Services Limited**

1 Introduction

It was announced on 11 February 2005 that, on that day, Walker, Crips, Weddle, Beck plc had entered into a conditional agreement with the Vendors to acquire the entire issued share capital of G&EIS for a maximum consideration, as explained in paragraph 3, of £4,892,000. Your attention is also drawn to Part II of this document where the terms of the Acquisition are summarised.

In view of the relative sizes of the Company and G&EIS, the Acquisition is categorised as a Class I transaction under the Listing Rules of the UK Listing Authority, and is therefore subject to the approval of WCWB shareholders in general meeting. Accordingly a Notice of an Extraordinary General Meeting containing the appropriate resolution is set out on page 33 of this document.

The reasons why your Directors believe that the Acquisition is in the best interests of the Company and its shareholders are explained in paragraph 3 below, and in paragraph 9 they unanimously recommend that shareholders approve the Acquisition by voting in favour of the Resolution, as they all have undertaken to do in respect of their own shareholdings.

This document contains details of the Acquisition and a notice of an Extraordinary General Meeting at which your approval of the Acquisition will be sought.

An accountants' report on G&EIS is set out in Part III of this document, and Part IV comprises an unaudited pro forma statement of Net Assets of the Enlarged Group after completion of the Acquisition.

2 Background

The Existing Group

The principal activities of the Existing Group are general stockbroking services, administration of individual savings accounts, personal equity plans and managing clients' deposits in the ordinary course of conducting investment business. The activities have been expanded to include corporate finance, unit trust management and personal financial services. The Existing Group's current base has increased significantly in recent years, particularly through the acquisition of the stockbroking and corporate finance businesses of Keith, Bayley, Rogers & Co. Limited and the private client stockbroking business of Southard Gilbey, McNish & Co. The WCWB Corporate Finance Division trades under the name of Keith, Bayley, Rogers & Co. Limited and provides a comprehensive range of corporate implementation and advisory services to an increasing number

of quoted and unquoted companies. The Unit Trust Division has grown significantly over the last three years, in large part due to its good fund management performance.

The Existing Group's head office is in London with nine branch offices in , Bexhill-on-Sea, Bromley, Colchester, Croydon, Inworth (Essex), Martham (Norfolk), Newton Abbot, Solihull, and Wirral. These branch offices are primarily for servicing the requirements of clients in the local areas. The London office handles all aspects of the administration of transactions for clients for each of the branch offices through its centralised dealing facility.

An Interim Report for the six months ended 30 September 2004, which included an unaudited interim profit and loss account and balance sheet, was sent to WCWB shareholders on 12 November 2004.

The G&EIS Group

Founded in 1970 when the long established Yorkshire based chartered accountancy firm of Garbutt & Elliott created a separate entity to provide investment, pension and insurance products for its clients, G&EIS has become one of the leading independent financial advisory and fund management firms in the North of England. It serves a portfolio of corporate and private clients across the United Kingdom and has a strong market position in North and East Yorkshire. Details of these six companies are given in the Accountants' Report (paragraph 8 on page 17).

Based in York, G&EIS is the parent company for the London York Group comprising six companies which together provide a range of investment, fund management and pension advisory and management services to private and corporate UK clients predominantly across Yorkshire and adjacent regions.

The financial record of the G&EIS Group as set out below has been extracted without material adjustment from the accountants' report on G&EIS set out in Part III of this document. Shareholders should read the whole of this document and not rely on the summarised information below.

	<i>Years ended 30 September</i>		
	<i>2002</i>	<i>2003</i>	<i>2004</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Turnover	2,249,370	2,074,881	2,134,318
Operating profit	330,867	226,465	305,520
Profit before taxation	315,176	206,759	287,638

The audited consolidated net assets of the G&EIS Group at 30 September 2004 were £871,841.

Certain of the respective subsidiary undertakings of WCWB and G&EIS are authorised and regulated by FSA for the conduct of investment business, as defined in the Financial Services and Markets Act 2000. An application has been made to the FSA for approval of the change of control of G&EIS and it is a condition of the Acquisition Agreement that such regulatory approval is obtained.

3 Details of and reasons for the Acquisition

Pursuant to the Acquisition Agreement, WCWB will acquire the entire issued share capital of G&EIS from the Vendors for an initial consideration of £1,200,000 and 800,000 Initial Consideration Shares which at 17 March 2005 (the latest practicable date before the printing of this document) had a middle market quotation taken from the Daily Official List of the London Stock Exchange of 261.5p per share, and (subject to the terms of the Acquisition Agreement) for Further Consideration Shares with a maximum potential value of £1,600,000. The total potential consideration on this basis is calculated at £4,892,000.

The deferred consideration of up to a maximum of £1,600,000 will be satisfied by the issue of the Further Consideration Shares. The number of Further Consideration Shares will depend upon (a) the profits of the G&EIS Group during the three financial years commencing 1 April 2005 and ending 31 March 2008; and (b) the market price of the Ordinary Shares at the time of issue. A summary of the terms determining the number of Further Consideration Shares is set out in Part II of this document.

In order both to facilitate the calculation of the deferred consideration and the resultant entitlement to Further Consideration Shares, and to bring its accounting periods in line with those of WCWB, the accounting reference dates of the G&EIS Group will be changed to 31 March.

It is a condition that, immediately prior to Completion, the whole of the share capital of Foss Properties Limited, at present a wholly owned subsidiary of G&EIS, which owns the freehold of Foss Islands House, the G&EIS Group's principal office, will be sold by G&EIS to the Vendors for a cash consideration of £72,960, and that G&EIS will enter into a Deed of Variation relating to the lease of Foss Islands House. This

is not a sale and lease-back transaction. Details of both the contract for the sale of shares in Foss Properties Limited and of the Deed of Variation are set out in paragraph 5 of Part V of this document.

Under a term of the Acquisition Agreement, WCWB undertakes, as soon as practicable, to grant options in respect of 200,000 shares in WCWB in accordance with the terms of the WCWB 1996 Employee Share Option Scheme, such options to be allocated to staff members of the G&EIS Group in such proportions as the present directors of G&EIS shall determine.

Application has been made to the UK Listing Authority for the 800,000 Initial Consideration Shares in WCWB to be admitted to the Official List and, upon their allotment, to be admitted to trading on the London Stock Exchange. In respect of any shares in WCWB which are issued as further consideration under the terms of the Acquisition Agreement, application will then be made for both admission and trading.

The Acquisition Agreement is also conditional upon, *inter alia*, the approval of FSA and the approval of Shareholders of WCWB at the Extraordinary General Meeting convened for 6 April 2005.

Upon allotment, the Initial Consideration Shares will have the same rights as, and will rank *pari passu* in all respects with, the then existing issued Ordinary Shares. The Initial Consideration Shares will accordingly be entitled to any final dividend declared on WCWB's Ordinary Shares in respect of the financial year ending 31 March 2005.

Allotment of the Further Consideration Shares is conditional upon, *inter alia*, them having the same rights as the then existing issued Ordinary Shares.

Further details of the Acquisition Agreement are set out in Part II of this document.

Your Directors believe that the Acquisition will not only expand and strengthen the Existing Group's business, but will facilitate the offering of a number of the Existing Group's established investment products and services to the G&EIS Group client base.

The Directors are confident that the two businesses are complementary and that the Acquisition will create opportunities to offer a wider product range to a more diverse clientele and from a more competitive cost base. The investment in technology by the Existing Group in recent years should enable clear advantage to be taken by the Enlarged Group of any strong upturn in business levels.

Completion of the Acquisition will result in an increase in the consolidated net assets of WCWB, with the addition of the net assets including goodwill of the G&EIS Group. An unaudited consolidated pro-forma statement of the net assets is set out in Part IV of the document.

4 The Proposed Directors

Immediately upon Completion, the following will be invited to join the Board of the Company:

David Hetherton, Proposed Executive Director

David Hetherton, aged 46, is an authorised Investment Adviser (cert PFS) and has been Group Managing Director of the G&EIS and London York Group since January 1998, having joined from Minet Consultancy Services in October 1997. His financial services career began in 1982 as a consultant with Denison Investments Limited. More latterly, he has led the controlled growth of the London York Group, during which time gross revenue has more than doubled and net profits before tax improved three fold.

Robert Alan Elliott, Proposed Non-Executive Director

Robert Elliott, aged 64, is a Chartered Accountant (FCA) and authorised Investment Adviser (cert PFS) and is currently chairman of G&EIS, which he founded in 1970. He is also a founding director of London York Fund Managers Limited. On 30 June 2002, he retired as Senior Partner from Garbutt & Elliott, Chartered Accountants, having joined his father's practice in 1957. During this time, it grew from a total staff of 8 to its present level of 80. He continues to have an active involvement with the G&EIS/London York Group as a director, and is also a non-executive director of 14 other trading companies and managing director of RAE The Croft Trustees Limited, a company involved in trust administration services.

Contemporaneous with Completion, David Hetherton will enter into a service agreement with the Company and Robert Elliott will receive a letter of appointment as a non-executive director of the WCWB. Details of this agreement and letter, together with details of the existing service agreements of the directors of WCWB, are set out in paragraph 3 of Part V of this document.

5 Current trading and prospects

In my Chairman's Statement which accompanied the Company's Interim report for the half year to 30 September 2004 which was published on 12 November 2004, I reported that the second half of the current year had started strongly with stockbroking volumes particularly buoyant since September and with the increasing contributions from the Financial Services and Corporate Finance teams. I can confirm that, in the current trading conditions, this trend has continued.

I confirmed in my Statement that your Board is committed to growing recurring revenue streams through both the fund management and financial services divisions. My co-directors and I believe that the proposed Acquisition precisely fits with these aspirations.

The Directors and Proposed Directors believe that there will be little delay before both businesses glean advantage from each others' market strengths, with the benefits likely to flow through in the Enlarged Group's new financial year. They also believe that the longer term outlook for the Enlarged Group is distinctly positive, with a broader scope of operations and a more extensive range of financial products.

6 Extraordinary General Meeting

Shareholders will find set out on page 33 of this document a notice convening the EGM for 11 am on 6 April 2005 at which a Resolution will be proposed to approve the terms of the Acquisition.

7 Action to be taken

A form of proxy for use at the EGM is set out at the end of this document. Whether or not you intend to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, as soon as possible and in any event so as to arrive not later than 48 hours before the time appointed for the holding of the EGM. Completion and return of a form of proxy will not preclude a Shareholder from attending the EGM and voting in person, should he so wish.

8 Further information

Your attention is drawn to Parts II to V of this document, which contain additional information on the matters referred to above.

9 Recommendation

Your Directors consider the Acquisition to be in the best interests of the Company and Shareholders as a whole. Accordingly, they therefore unanimously recommend Shareholders to vote in favour of the Resolution. They, together with certain directors of WCWB subsidiaries, namely G.A. Cooper, N.J. Simmonds, and S.V. Simper, directors of Walker Crips Stockbrokers Limited, A.H. Drummon and D Crowhurst, directors of Keith, Bayley Rogers & Co Limited, and B.M.D. Durkie, a director of Walker Crips Financial Services Limited, have irrevocably undertaken to vote in favour in respect of their own beneficial holdings which together total 2,058,140 Ordinary Shares, representing approximately 19.122 per cent. of the issued share capital of the Company.

In addition, other shareholders in WCWB have irrevocably undertaken to vote in favour of the Resolution in respect of their aggregate beneficial holdings of 3,039,590 Ordinary Shares, in aggregate representing a further 28.240 per cent. of the issued share capital of the Company.

Yours faithfully



G N Kennedy CVO
Chairman

PART II

SUMMARY OF THE TERMS OF THE ACQUISITION

On 11 February 2005 WCWB entered into a conditional agreement (the "Agreement") with the Vendors for the purchase of all the issued shares (the "Shares") of G&E Investment Services Limited ("G&EIS").

The acquisition is conditional upon a number of matters including the approval in general meeting of the Shareholders and the granting of the approval of the FSA to the change of control of G&EIS.

The consideration for the Shares is payable in two tranches.

The first tranche is payable at completion and comprises £1,200,000 in cash and the issue to the Vendors of 800,000 Ordinary Shares.

The second tranche will be calculated by reference to a proportion of the profit after tax ("PAT") earned by G&EIS and its subsidiaries during the three annual accounting periods commencing 1 April 2005. It will be met by the allotment of further Ordinary Shares. The following formula will be used in the calculation:

$$A = \frac{(B \times C) - £2,400,000}{D}$$

Where:

A = the number of further Ordinary Shares to be allotted in respect of the second tranche

B = 10

C = a sum equal to the aggregate of the following amounts:

- (1) $\frac{1}{3}$ of the PAT in the accounting period from 1 April 2005 to 31 March 2006;
- (2) $\frac{1}{3}$ of the PAT in the accounting period from 1 April 2006 to 31 March 2007;
- (3) $\frac{1}{2}$ of the PAT in the accounting period from 1 April 2007 to 31 March 2008

D = the greater of:

- (1) a sum equal to the middle market quotations for the Ordinary Shares as shown in the Official List for each of the 5 business days immediately preceding the date on which the Ordinary shares are allotted for the second tranche; and
- (2) 110 pence.

The value of the consideration of the second tranche cannot exceed £1,600,000.

The consideration for the second tranche shall be met by the issue of loan notes:

- (1) if, at the time of the allotment, the Ordinary Shares are not admitted to the Official List; or
- (2) if Ordinary Shares have not been allotted as required under the Agreement within 4 months of the date (the "PAT Determination Date") the total PAT is calculated (being "C" in the above formula).

If, prior to the PAT Determination Date, an Offer is made which becomes unconditional in all respects, the Vendors have the option, exercisable within 30 days of the Offer Date and exercisable only by all and not some only of the Vendors, to require WCWB to issue loan notes to the Vendors with a value calculated in accordance with the following formula (provided that such sum shall not exceed £1,600,000):

$$\frac{X}{Y} \times 36 \times 10$$

Where:

- (1) X = the total PAT achieved in the period from 1 April 2005 to the last day of the month in which the Offer Date occurs; and
- (2) Y = the number of months from April 2005 to the month in which the Offer Date occurs, inclusive

and where:

"Offer" shall mean an offer which has been made for all the Ordinary Shares which has been recommended by the board of WCWB; and

“Offer Date” shall mean the date on which the Offer becomes unconditional in all respects.

The Vendors have undertaken to restrict their dealing in the Ordinary Shares so that for the first year after completion they will not, without the consent of WCWB, transfer or otherwise dispose of those Ordinary Shares save to certain family members or family trusts. Following that period, and in order to maintain an orderly market, any Ordinary Shares issued by way of consideration will only be disposed of through a broker nominated by WCWB.

The Vendors have jointly and severally given warranties to WCWB in relation to G&EIS and its subsidiaries. They have also jointly and severally entered into a covenant relating to taxation. The warranties and the tax covenant are customary for an acquisition of this nature.

The liabilities of the Vendors under these warranties and the tax covenant are limited so that in order to make a claim WCWB would need to give written notice of that claim to the Vendors before 15 January 2007 save in respect of taxation in which case the time limit is 30 September 2010. No claim can be made against the Vendors unless the claim exceeds £5,000 and the aggregate of all claims exceeds £50,000 (or during the period between exchange and completion £100,000), in which case the Vendors are liable for the full amount and not just the excess. The aggregate liability of the Vendors in relation to all claims will not exceed the amount of the total consideration received and for this purpose Ordinary Shares issued as part of the first tranche are deemed to have a value of £1.50 each and the Ordinary Shares issued for the second tranche are deemed to have a value equal to the middle market quotations for the Ordinary Shares as shown in the Official List for each of the 5 business days immediately preceding the date on which they are allotted. Subject to that overall cap, and valued on that basis, the liability of the Vendors for the warranties (but excluding liabilities under the tax covenant) will not exceed the value of the consideration paid for the first tranche. The liability of the individual Vendors is also limited to the amount of the consideration paid for the shares they hold.

It is agreed that following completion David Hetherington will be appointed managing director and Richard Byfield a director of Walker Crips Financial Services Limited. Nigel Skelton will be appointed a director of Walker Crips Asset Management Limited. David Hetherington will be appointed as an executive director and Robert Elliott a non-executive director of WCWB. David Hetherington will enter into a service agreement in respect of his employment as a director of WCWB and Robert Elliott will enter into a letter of appointment in relation to his appointment as a non-executive director of WCWB.

The Vendors have also entered into restrictive undertakings, which are customary for an acquisition of this nature and will run for two years from the date of completion, and which will limit the ability of the Vendors to compete with G&EIS or any of its subsidiary companies.

PART III

ACCOUNTANTS' REPORT ON G&E INVESTMENT SERVICES LIMITED

**BARBER
&CO**

CHARTERED ACCOUNTANTS

DURHAM HOUSE
DURHAM HOUSE STREET
LONDON WC2N 6HF

Telephone: 020 7839 8411
International: +44 20 7839 8411
Fax: 020 7839 8403

e-mail: london@barberco.net

21 March 2005

The Directors
Walker, Crips, Weddle, Beck plc
Sophia House,
76/80 City Road
London, EC1Y 2EQ

The Directors
ARM Corporate Finance Limited
12 Pepper Street
London E14 9RP

The Directors
Keith, Bayley, Rogers & Co. Limited
Sophia House
76-80 City Road
London EC1Y 2EQ

Dear Sirs

G&E Investment Services Limited (“G&EIS”)

We report on the financial information set out below. This financial information has been prepared for inclusion in the circular dated 21 March 2005 (the “Circular”) issued by Walker, Crips, Weddle, Beck plc (“WCWB”) relating to the proposed acquisition of the entire issued share capital of G&EIS by WCWB.

Basis of preparation

The financial information set out in this report is based on the audited consolidated financial statements of G&EIS for the three years ended 30 September 2002, 2003 and 2004, to which no adjustments were considered necessary.

Responsibility

The financial statements are the responsibility of the directors of G&EIS, who approved their issue.

The directors and the proposed directors of WCWB are responsible for the contents of the Circular in which this report is included.

It is our responsibility to compile the financial information set out in our report, to form an opinion on the financial information and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of the evidence relevant to the

amounts and disclosures in the financial information. The evidence included that recorded by the auditors who audited the financial statements underlying the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the circumstances of G&EIS, have been consistently applied and are adequately disclosed.

We planned and performed our work 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 information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information set out below gives, for the purposes of the Circular, a true and fair view of the state of affairs of G&E Investment Services Limited at 30 September 2002, 2003 and 2004 and of its results, cash flows and recognised gains and losses for the years then ended.

Consent

We consent to the inclusion in the document constituting a Circular to WCWB shareholders, of this report and accept responsibility for this report accordingly.

Financial Information

Consolidated profit and loss accounts

	<i>Notes</i>	<i>For the years ended 30 September</i>		
		<i>2002</i>	<i>2003</i>	<i>2004</i>
		<i>£000</i>	<i>£000</i>	<i>£000</i>
Turnover	2	2,249,370	2,074,881	2,134,318
Cost of sales		(31,422)	(43,459)	(36,215)
Gross profit		2,217,948	2,031,422	2,098,103
Administrative expenses		(1,887,081)	(1,804,957)	(1,792,583)
Operating profit	3	330,867	226,465	305,520
Other interest receivable and similar income		6,399	5,066	2,631
Interest payable and similar charges	4	(22,090)	(24,772)	(20,513)
Profit on ordinary activities before taxation		315,176	206,759	287,638
Tax on profit on ordinary activities	5	(76,028)	(38,743)	(81,873)
Profit on ordinary activities after taxation		239,148	168,016	205,765
Dividends paid and proposed	6	(125,000)	(60,000)	—
Retained profit for the year	16	114,148	108,016	205,765

The profit and loss accounts have been prepared on the basis that all operations are continuing operations. There were no recognised gains and losses other than those passing through the profit and loss accounts.

Notes of historical cost profits and losses

	<i>For the years ended 30 September</i>		
	<i>2002</i>	<i>2003</i>	<i>2004</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Reported profit on ordinary activities before taxation	315,176	206,759	287,638
Realisation of property revaluation gains of previous years	—	40,507	—
Historical cost profit on ordinary activities before taxation	315,176	247,266	287,638
Historical cost profit for the year retained after taxation and dividends	114,148	148,523	205,765

Consolidated balance sheets

		<i>As at 30 September</i>		
	<i>Notes</i>	<i>2002</i>	<i>2003</i>	<i>2004</i>
		<i>£000</i>	<i>£000</i>	<i>£000</i>
Fixed assets				
Tangible assets	7	572,109	891,385	855,249
Investments	8	—	—	—
		<u>572,109</u>	<u>891,385</u>	<u>855,249</u>
Current assets				
Debtors	9	449,266	389,822	504,377
Cash at bank and in hand		284,580	209,020	323,144
		<u>733,846</u>	<u>598,842</u>	<u>827,521</u>
Creditors: amounts falling due within one year	10	<u>(540,881)</u>	<u>(783,961)</u>	<u>(781,496)</u>
Net current assets/(liabilities)		<u>192,965</u>	<u>(185,119)</u>	<u>46,025</u>
Total assets less current liabilities		765,074	706,266	901,274
Creditors: amounts falling due after more than one year	11	(199,414)	(25,190)	(14,433)
Provisions for liabilities and charges	12	(7,600)	(15,000)	(15,000)
Net assets		<u>558,060</u>	<u>666,076</u>	<u>871,841</u>
Capital and reserves				
Called-up share capital	15	16,637	16,637	16,637
Share premium account	16	216,890	216,890	216,890
Revaluation reserve	16	40,507	—	—
Reserve arising on consolidation	16	108	108	108
Profit and loss account	16	283,918	432,441	638,206
		<u>558,060</u>	<u>666,076</u>	<u>871,841</u>
Equity interests		550,423	658,439	864,204
Non-equity interests		7,637	7,637	7,637
		<u>558,060</u>	<u>666,076</u>	<u>871,841</u>

Consolidated cash flow statements

		<i>For the years ended 30 September</i>		
		<i>2002</i>	<i>2003</i>	<i>2004</i>
	<i>Notes</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Net cash inflow from operating activities	21	237,648	215,824	235,331
Returns on investments and servicing of finance				
Interest received		6,399	5,066	2,631
Interest paid	4	(22,090)	(24,772)	(20,513)
Net cash outflow from returns on investments and servicing of finance		(15,691)	(19,706)	(17,882)
Taxation		(36,439)	(77,059)	(31,343)
Capital expenditure				
Payments to acquire tangible assets		(1,890)	(833,709)	(2,938)
Receipts from sales of tangible assets		—	533,342	1,356
Net cash outflow from capital expenditure		(1,890)	(300,367)	(1,582)
Equity dividends paid		(75,000)	(100,000)	(60,000)
Net cash inflow/(outflow) before management of liquid resources and financing		108,628	(281,308)	124,524
Financing				
Repayment of other long term loans	22	(44,670)	(199,414)	—
Repayment of other short term loans	22	(23,506)	(24,053)	—
Capital element of hire purchase contracts	22	—	(8,241)	(9,945)
Net cash outflow from financing		(68,176)	(231,708)	(9,945)
Increase/(decrease) in cash in the year		40,452	(513,016)	114,579

Notes to the consolidated financial statements for the year ended 30 September 2004

1 *Accounting policies*

A summary of the principal accounting policies, all of which have been applied consistently throughout the three financial periods, is set out below.

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the Group's operations, all of which are continuing. The financial statements are prepared in accordance with applicable accounting standards.

1.2 Basis of consolidation

The consolidated profit and loss accounts and balance sheets include the financial statements of G&EIS and its subsidiary undertakings made up to 30 September 2002, 2003 and 2004. Intra-group sales and profits are eliminated fully on consolidation.

1.3 Turnover

Turnover represents amounts receivable in respect of commissions earned and fees charged for advice given during the year, excluding value added tax.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets, other than freehold land, are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	15 per cent. and 20 per cent. straight line
--------------------------------	---

Freehold buildings are depreciated over their remaining expected useful life once that falls below 50 years at the balance sheet date. Alterations to freehold buildings, paid for by a subsidiary, are depreciated on a straight line basis over the life of the lease to the subsidiary.

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.7 Pensions

G&EIS operates a defined contribution pension scheme. The pension costs charged in the financial statements represent the contributions payable by G&EIS during the year in accordance with Financial Reporting Standard 17.

1.8 Deferred taxation

G&EIS provides in full for deferred tax arising from temporary timing differences. The rate of tax applied to such timing differences is the average rate that is expected to apply in the periods when the timing differences are expected to reverse. The deferred tax balance has not been discounted.

2 *Turnover*

The total turnover of the Group for the three years ended 30 September 2002, 2003 and 2004 has been derived from its principal activity wholly undertaken in the United Kingdom.

3 *Operating profit*

	2002 £	2003 £	2004 £
Operating profit is stated after charging:			
Depreciation of tangible assets			
own assets	21,329	24,674	27,392
assets held under finance lease	—	3,135	9,523
Loss on disposal of tangible assets	—	—	803
Operating lease rentals	107,929	79,931	80,699
Auditors' remuneration	11,250	10,750	13,043
and after crediting:			
Profit on disposal of tangible assets	—	(3,342)	—
Release of pensions transfer review provision	(36,158)	—	—
	<u> </u>	<u> </u>	<u> </u>

4 *Interest payable*

	2002 £	2003 £	2004 £
On bank loans and overdrafts	6,128	23,550	17,563
On loans repayable after 5 years	14,004	—	—
Other interest	1,958	1,222	2,950
	<u> </u>	<u> </u>	<u> </u>
	<u>22,090</u>	<u>24,772</u>	<u>20,513</u>

5 *Taxation*

	2002 £	2003 £	2004 £
Current year tax			
UK corporation tax	77,059	31,343	81,873
Adjustment for prior years	119	—	—
	<u> </u>	<u> </u>	<u> </u>
	77,178	31,343	81,873
Deferred tax			
Deferred tax charge/(credit)	(1,150)	7,400	—
	<u> </u>	<u> </u>	<u> </u>
	76,028	38,743	81,873
	<u> </u>	<u> </u>	<u> </u>
Factors affecting the tax charge for the year			
Profit on ordinary activities before taxation	315,176	206,759	287,638
	<u> </u>	<u> </u>	<u> </u>
Profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 27.37% (2003: 23.48%; 2002: 27.28%)	85,975	48,547	78,727
	<u> </u>	<u> </u>	<u> </u>
Effects of:			
Non deductible expenses	8,741	(11,920)	3,853
Adjustments to previous years	119	—	—
Depreciation add back	—	—	11,075
Capital allowances	—	—	(4,226)
Other tax adjustments	(17,657)	(5,284)	(7,556)
	<u> </u>	<u> </u>	<u> </u>
	(8,797)	(17,204)	3,146
	<u> </u>	<u> </u>	<u> </u>
Current tax charge	77,178	31,343	81,873
	<u> </u>	<u> </u>	<u> </u>

Other tax adjustments includes marginal relief of £7,556 (2003: £5,284; 2002: £17,657).

6 Dividends

	2002 £	2003 £	2004 £
Ordinary interim paid	25,000	—	Nil
Ordinary final proposed	100,000	60,000	Nil
	<u>125,000</u>	<u>60,000</u>	<u>Nil</u>

7 Tangible fixed assets

	<i>Freehold land and buildings</i> £	<i>Fixtures, fittings and equipment</i> £	<i>Total</i> £
Cost			
At 1 October 2001	564,029	215,399	779,428
Additions	—	1,890	1,890
At 30 September 2002	564,029	217,289	781,318
Additions	797,825	79,260	877,085
Disposals	(564,029)	—	(564,029)
At 30 September 2003	797,825	296,549	1,094,374
Additions	—	2,938	2,938
Disposals	—	(9,493)	(9,493)
At 30 September 2004	<u>797,825</u>	<u>289,994</u>	<u>1,087,819</u>
Depreciation			
At 1 October 2001	34,029	153,851	187,880
Charge for the year	—	21,329	21,329
At 30 September 2002	34,029	175,180	209,209
On disposals	(34,029)	—	(34,029)
Charge for the year	3,245	24,564	27,809
At 30 September 2003	3,245	199,744	202,989
On disposals	—	(7,334)	(7,334)
Charge for the year	7,786	29,129	36,915
At 30 September 2004	<u>11,031</u>	<u>221,539</u>	<u>232,570</u>
Net book value			
At 30 September 2004	786,794	68,455	855,249
At 30 September 2003	794,580	96,805	891,385
At 30 September 2002	<u>530,000</u>	<u>42,109</u>	<u>572,109</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	<i>Fixtures, fittings and equipment</i> £	<i>Total</i> £
Net book value		
At 30 September 2004	34,996	34,996
At 30 September 2003	44,491	44,491
At 30 September 2002	<u>—</u>	<u>—</u>

8 *Fixed asset investments*

G&EIS holds more than 20 per cent. of the share capital of the following operating subsidiary companies, all of which are registered or incorporated in England and Wales.

<i>Company</i>	<i>Principal Activity</i>	<i>Shares held</i>	
		<i>Class</i>	<i>%</i>
London York Fund Managers Limited	Provision of management services to subsidiary undertakings and corporate pensioner trusteeship	Ordinary/ Preference	100
London York Asset Management Limited	Investment broking, discretionary portfolio management and the management of unit trusts	Ordinary/ Preference	100
London York Financial Services Limited	Advising and arranging deals in life and pension policies as independent financial advisers	Ordinary	100
London York Pensions Management Limited	Establishment, management and administration of pension funds	Ordinary	100
Ebor Trustees Limited	Provision of corporate pensioner trusteeship	Ordinary	100
Monkgate Nominees Limited	Provision of nominee services	Ordinary	100
Foss Properties Limited	Holding of property for use by group companies	Ordinary	100

9 *Debtors*

	<i>2002</i>	<i>2003</i>	<i>2004</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Trade debtors	308,128	339,744	461,107
Other debtors	95,759	2,800	7,747
Prepayments and accrued income	45,379	47,278	35,523
	<u>449,266</u>	<u>389,822</u>	<u>504,377</u>

10 *Creditors: amounts falling due within one year*

	<i>2002</i>	<i>2003</i>	<i>2004</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Bank loans and overdrafts	85,862	499,265	498,810
Net obligations under finance lease and hire purchase contracts	—	9,945	10,757
Trade creditors	45,650	30,356	12,678
Corporation tax	77,059	31,343	81,873
Taxes and social security costs	69,050	69,664	79,724
Other creditors	4,300	4,798	417
Accruals and deferred income	158,960	78,590	97,237
Proposed dividend	100,000	60,000	—
	<u>540,881</u>	<u>783,961</u>	<u>781,496</u>

The bank overdraft amounting to £498,810 on 30 September 2004 is secured by a first legal charge over the freehold property and an inter-company cross guarantee in favour of the Company's bankers

11 *Creditors: amounts falling due after more than one year*

	<i>2002</i>	<i>2003</i>	<i>2004</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Net obligations under finance lease and hire purchase contracts	—	25,190	14,433
Other loans	199,414	—	—
	<u>199,414</u>	<u>25,190</u>	<u>14,433</u>

12 *Provisions for liabilities and charges*

	<i>Deferred Taxation</i> £
At 1 October 2001	8,750
Profit and loss account	(1,150)
Balance at 30 September 2002	<u>7,600</u>
Profit and loss account	<u>7,400</u>
Balance at 30 September 2003 and 2004	<u><u>15,000</u></u>

Deferred taxation provided in the financial statements is as follows:

	<i>2002</i> £	<i>2003</i> £	<i>2004</i> £
Accelerated capital allowances	<u>7,600</u>	<u>15,000</u>	<u>15,000</u>

13 *Pension costs*

	<i>2002</i> £	<i>2003</i> £	<i>2004</i> £
Defined contribution:			
Contributions payable by [the group] for the year	<u>44,790</u>	<u>58,366</u>	<u>51,836</u>
Outstanding contributions at the year end	<u>6</u>	<u>—</u>	<u>3,870</u>

14 *Client monies and funds under management*

As at 30 September 2004, the reconciled balance on the client account was £2,289,559 (2003: £3,206,647; 2002: £2,501,454). The discretionary portfolios were £36,524,384 (2003: £44,885,003; 2002: £39,630,549).

15 *Share capital*

	<i>2002</i> £	<i>2003</i> £	<i>2004</i> £
Authorised:			
5,500 ordinary 'A' shares of £1 each	5,500	5,500	5,500
5,500 ordinary 'B' shares of £1 each	5,500	5,500	5,500
9,000 deferred shares of £1 each	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>
	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
Allotted, called-up and fully paid:			
4,500 ordinary 'A' shares of £1 each	4,500	4,500	4,500
4,500 ordinary 'B' shares of £1 each	4,500	4,500	4,500
7,637 deferred shares of £1 each	<u>7,637</u>	<u>7,637</u>	<u>7,637</u>
	<u>16,637</u>	<u>16,637</u>	<u>16,637</u>

The deferred shares of £1 each carry the following rights:

Income

No dividend will be declared or paid on the deferred shares until 1 January 2006.

Capital

On a winding up of the Company or other return of capital, the assets remaining after payment of debts and liabilities shall be applied in accordance with the following priority:

- (a) Firstly, in paying to the shareholders of the 'A' shares, the 'B' shares and the deferred shares held by them (*pari passu* as if the same constituted the same class of share) an amount equal to the par value of such shares;

- (b) Secondly, in paying the holders of the 'A' shares and 'B' shares held by them (*pari passu* as if the same constituted the same class of shares) an amount equal to the Net Asset Value, plus an amount equal to the cost of any goodwill purchases by the company since the date of the adoption of these articles, less the aggregate amount paid under paragraph a) above;
- (c) Thirdly, in paying to the holders of the deferred shares in proportion to the number of deferred shares held by them the sum of £500,000; and
- (d) Lastly, in distributing the balance amongst the holders of the 'A' shares and 'B' shares held by them (*pari passu* as if the same had constituted the same class of shares).

Voting

No voting rights attach to the deferred shares.

16 *Statement of movements on reserves*

	<i>Share premium account</i>	<i>Revaluation reserve</i>	<i>Other reserves</i>	<i>Profit and loss account</i>
	£	£	£	£
At 1 October 2001	216,890	40,507	108	169,770
Retained profit for the year	—	—	—	114,148
At 30 September 2002	216,890	40,507	108	283,918
Retained profit for the year	—	—	—	108,016
Transfer from revaluation reserve to profit and loss account	—	(40,507)	—	40,507
Balance at 30 September 2003	216,890	—	108	432,441
Retained profit for the year	—	—	—	205,765
Balance at 30 September 2004	216,890	—	108	638,206

17 *Reconciliation of movements in shareholders' funds*

	<i>2002</i>	<i>2003</i>	<i>2004</i>
	£	£	£
Profit for the year	239,148	168,016	205,765
Dividends	(125,000)	(60,000)	—
Net addition to shareholders' funds	114,148	108,016	205,765
Opening shareholders' funds	443,912	558,060	666,076
Closing shareholders' funds	558,060	666,076	871,841

18 *Financial commitments*

At the end of the year the G&EIS Group had annual commitments under non-cancellable operating leases, all in respect of plant and machinery, as follows:

	<i>2002</i>	<i>2003</i>	<i>2004</i>
	£	£	£
Expiry date:			
Within one year	31,932	32,469	25,044
Between two and five years	38,950	18,639	20,016
	70,882	51,108	45,060

19 *Directors' emoluments*

	<i>2002</i>	<i>2003</i>	<i>2004</i>
	£	£	£
Aggregate emoluments	281,143	291,977	298,924

Included in the above figures are contributions towards money purchase pension schemes of £14,604 (2003: £19,678; 2002: £9,015). The amount paid to the highest paid director within [the group] was £97,822 (2003: £106,944; 2002: £96,647).

The number of directors for whom retirement benefits are accruing under money purchase schemes was 3 (2003: 3; 2002: 8).

20 Employees

The average number of employees (including directors) during the year was:

	2002 Number	2003 Number	2004 Number
Consultants and administrators	52	45	43
Employment costs:			
	2002 £	2003 £	2004 £
Wages and salaries	1,129,701	1,088,540	1,123,214
Social security costs	117,483	116,633	121,577
Other pension costs	44,790	58,366	51,836
	<u>1,291,974</u>	<u>1,263,539</u>	<u>1,296,627</u>

21 Reconciliation of operating profit to net cash inflow from operating activities

	2002 £	2003 £	2004 £
Operating profit	330,867	226,465	305,520
Depreciation of tangible assets	21,329	27,809	36,915
Profit on disposal of tangible assets	—	(3,342)	803
Decrease (increase) in debtors	33,555	59,444	(114,555)
(Decrease)increase in creditors within one year	(148,103)	(94,552)	6,648
Net cash inflow from operating activities	<u>237,648</u>	<u>215,824</u>	<u>235,331</u>

22 Analysis of net debt

	30 September 2001 £	Cash flow £	30 September 2002 £	Cash flow £	Other non-cash changes £	30 September 2003 £	Cash flow £	30 September 2004 £
Net cash:								
Cash at bank and in hand	244,128	40,452	284,580	(75,560)	—	209,020	114,124	323,144
Bank overdrafts	(61,809)	—	(61,809)	(437,456)	—	(499,265)	455	(498,810)
Hire purchase	182,319	40,452	222,771	(513,016)	—	(290,245)	114,579	(175,666)
Debts falling due within one year	—	—	—	8,241	(43,376)	(35,135)	9,945	(25,190)
Debts falling due after one year	(68,723)	44,670	(24,053)	24,053	—	—	—	—
	(222,920)	23,506	(199,414)	199,414	—	—	—	—
Net debt	<u>(109,324)</u>	<u>108,628</u>	<u>(696)</u>	<u>(281,308)</u>	<u>(43,376)</u>	<u>(325,380)</u>	<u>124,524</u>	<u>(200,856)</u>

23 *Reconciliation of net cash flow to movement in net debt*

	2002	2003	2004
	£	£	£
Increase/(decrease) in cash in the year	40,452	(513,016)	114,579
Cash outflow from decrease in debt	68,176	231,708	9,945
	<u>108,628</u>	<u>(281,308)</u>	<u>124,524</u>
Change in net debt resulting from cash flows	108,628	(281,308)	124,524
New hire purchase	—	(43,376)	—
	<u>108,628</u>	<u>(324,684)</u>	<u>124,524</u>
Movement in net debt in the year	108,628	(324,684)	124,524
Opening net debt	(109,324)	(696)	(325,380)
	<u>(696)</u>	<u>(325,380)</u>	<u>(200,856)</u>
Closing net debt	<u>(696)</u>	<u>(325,380)</u>	<u>(200,856)</u>

24 *Related party transactions*

During the three years ended 30 September 2004, GE&IS entered into the following transactions with parties related to the directors:

Professional charges:

Garbutt & Elliott Limited, Chartered Accountants, £27,989 (2003: £30,899; 2002: £55,568). Directors of Garbutt & Elliott Limited who are directors of G&EIS are M Backhouse (resigned as a director of Garbutt & Elliott Limited 5 April 2003), R A Elliott resigned as a director of Garbutt & Elliott Limited on 30 June 2002, and J Oliver. The amount unpaid at the year end was £Nil (2003: £13,616; 2002: £17,896).

Fees for work done:

Garbutt & Elliott Limited, Chartered Accountants, £(2098 negative) — (2003: £Nil; 2002: £12,098). Directors of Garbutt & Elliott Limited who are directors of G&EIS are M Backhouse, (resigned as a director of Garbutt & Elliott Limited on 5 April 2003), R A Elliott (resigned as a director of Garbutt & Elliott on 30 June 2002) and J Oliver. The amount unpaid at the year end was £Nil (2003: £14,215; 2002: £14,215).

Yours faithfully

Barber & Co

Chartered Accountants

PART IV

UNAUDITED PRO FORMA STATEMENT OF NET ASSETS OF THE ENLARGED GROUP

Set out below is an unaudited pro forma statement of the net assets of the Enlarged Group, prepared on the basis of the notes set out below, to reflect on a pro forma basis the impact of the Acquisition on the net assets of the Existing Group had the Acquisition taken place on 31 March 2004. This statement has been prepared for illustrative purposes only and, because of its nature, may not give a true or complete picture of the financial position of the Enlarged Group.

	<i>The Existing Group as at 31 March 2004</i> £'000	<i>Adjustments</i>			<i>Pro forma</i> (Note 5) £'000
		<i>The G&EIS Group</i> (Note 2) £'000	<i>Acquisition Adjustments</i> (Note 3) £'000	<i>Disposal of Foss</i> (Note 4) £'000	
Fixed assets					
Tangible	268	855	—	(681)	442
Intangible	2,274	—	4,220	—	6,494
Investments	1,126	—	—	—	1,126
	<u>3,668</u>	<u>855</u>	<u>4,220</u>	<u>(681)</u>	<u>8,062</u>
Current assets					
Investments	168	—	—	—	168
Debtors	52,360	504	—	—	52,864
Cash at bank and in hand	3,207	323	(1,400)	172	2,302
	<u>55,735</u>	<u>827</u>	<u>(1,400)</u>	<u>172</u>	<u>55,334</u>
Creditors: amounts falling due within one year	(50,504)	(781)	—	509	(50,776)
Net current assets	<u>5,231</u>	<u>46</u>	<u>(1,400)</u>	<u>681</u>	<u>4,558</u>
Total assets less current liabilities	8,899	901	2,820	—	12,620
Creditors: amounts falling due after one year	—	(14)	—	—	(14)
Provisions for liabilities and charges	—	(15)	—	—	(15)
Net Assets	<u><u>8,899</u></u>	<u><u>872</u></u>	<u><u>2,820</u></u>	<u><u>—</u></u>	<u><u>12,591</u></u>

Notes:

- The financial information relating to the Existing Group has been extracted without material adjustment from the audited accounts of the Existing Group for the year ended 31 March 2004.
- The financial information relating to the G&EIS Group has been extracted without material adjustment from the audited accounts of G&EIS for the year ended 30 September 2004, to which the Accountants' Report constituting Part III of this Circular relates.
- The acquisition of G&EIS is for an initial consideration of £1,200,000 in cash, and 800,000 Initial Consideration Shares which at 17 March 2005 had a middle market quotation derived from the Daily Official List of the London Stock Exchange of 261.5p per share and, subject to the terms of the Acquisition Agreement, for Further Consideration Shares with a potential value of a maximum of £1,600,000.
The total potential consideration on these bases is calculated at £4,892,000 which, together with estimated costs of £200,000, gives an acquisition cost of £5,092,000 in respect of net tangible assets of £872,000, creating goodwill of £4,220,000.
- As a condition of the Acquisition, the subsidiary company Foss Properties Limited, which owns the freehold property which is leased to and constitutes the principal premises of the G&EIS Group, is to be sold (subject to a Deed of Variation relating to certain terms of the lease details of which are set out in paragraph 5.2 on page 31), for £72,960 and the repayment of inter-company indebtedness. The adjustments resulting from this disposal are to eliminate the property included in the net book value of tangible fixed assets of £681,000 and creditors falling due within one year of £509,000 which relate to Foss and are included in the G&EIS group figures at 30 September 2004 (see note 2), and to account as cash receipts of £172,000 for the consideration monies due and the repayment of inter-company indebtedness.
- No adjustments have been made to reflect the results of trading or any other transactions since 31 March 2004 in respect of the Existing Group and 30 September 2004 in respect of the G&EIS Group, being, respectively, the dates to which the latest published accounts of such companies were drawn up.

BARBER &CO

CHARTERED ACCOUNTANTS

DURHAM HOUSE
DURHAM HOUSE STREET
LONDON WC2N 6HF

Telephone: 020 7839 8411
International: +44 20 7839 8411
Fax: 020 7839 8403

e-mail: london@barberco.net

21 March 2005

The Directors and Proposed Directors
Walker Crips Weddle Beck plc
Sophia House
76-80 City Road
LONDON
EC1Y 2EQ

Dear Sirs

We report on the pro forma statement of net assets (“the pro forma financial information”) set out in Part IV of the circular dated [21] March 2005 (the “Circular”) issued by Walker Crips Weddle Beck plc (“WCWB”) relating to the proposed acquisition of the entire issued share capital of G&E Investment Services Limited (“G&EIS”) by WCWB, which has been prepared, for illustrative purposes only, to provide information about how the Acquisition (as defined in the Circular) might have affected the financial information presented.

Responsibilities

It is the responsibility solely of the directors and the proposed directors of WCWB to prepare the pro forma financial information in accordance with paragraph 12.29 of the Listing Rules of the UK Listing Authority.

It is our responsibility to form an opinion, as required by the Listing Rules of the UK Listing Authority, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Statements on Investment Circular Reporting Standards and Bulletin 1998/8 “Reporting on pro forma financial information pursuant to the Listing Rules” issued by the Auditing Practices Board. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted pro forma financial information with the source documents, considering the evidence supporting the adjustments and discussing the pro forma financial information with the directors and the proposed directors of WCWB.

Opinion

In our opinion:

1. the pro forma financial information has been properly compiled on the basis stated;
2. such basis is consistent with the accounting policies of WCWB; and
3. the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 12.29 of the Listing Rules of the UK Listing Authority.

Yours faithfully

Barber & Co

Chartered Accountants

PART V

ADDITIONAL INFORMATION

1 Responsibility

The Directors and the Proposed Directors, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Proposed Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 The Company and its share capital

- 2.1 The Company's registered and head office and principal place of business is Sophia House, 76/80 City Road, London EC1Y 2EQ.
- 2.2 The principal legislation under which the Company operates is the Companies Act, 1985.
- 2.3 The Company was incorporated in England and Wales on 21 June 1979 under the Companies Acts 1948 to 1976 as a private unlimited company with the name Walker Crips Weddle Beck & Co. and registered in England and Wales with number 1432059.
- 2.4 By a special resolution passed on 13 April 1988 the Company resolved to re-register under the Act as a private limited company with the name Walker Crips Weddle Beck & Co Limited. The re-registration and change of name became effective on 18 May 1988.
- 2.5 By a special resolution passed on 24 October 1988 the Company resolved to re-register under the Act as a public limited company with the name Walker, Crips, Weddle, Beck plc. The re-registration and change of name became effective on 28 October 1988.
- 2.6 During the year ended 31 March 2003, the Company repurchased 155,000 of its own shares of 20p each, representing 1.5 per cent. of the then called up share capital for a consideration of £129,000.
- 2.7 Since 31 March 2004, a total of 59,312 Ordinary Shares have been issued, fully paid, as a result of the exercise of share options under the WCWB 1996 Employee Share Option Scheme and the WCWB 1996 Registered Representatives Share Option Scheme. The 9,000 Ordinary Shares were issued at an exercise price of 70p per share, 5,000 at an exercise price of 126.5p per share, 31,812 at an exercise price of 150p per share and 13,500 at an exercise price of 164 p per share.
- 2.8 During the six months ended 30 September 2004, the Company repurchased 150,000 of its own shares of 20p each, representing 1 per cent. of the called up share capital, for aggregate consideration of £173,000. These shares are held as Treasury Shares in accordance with the Company (Acquisition of Own Shares (Treasury Shares) Regulations 2003.
- 2.9 On 13 November 2003 WCWB allotted 512,500 new ordinary shares of 20p each in the capital of WCWB ("Ordinary Shares") by way of deferred consideration at an effective price of 150p per share to the vendors of Keith Bayley Rogers & Co Limited ("KBRL"), being the equity partners of Keith, Bayley, Rogers & Co. ("KBR") and trustees acting on behalf of certain Associates of KBR, KBRL or WCWB,
- 2.10 Save as disclosed in this paragraph 2, during the period of three years prior to the date of this document there has been no change in the issued share capital of the Company. However, in April 2004, the Company re-structured its business activities through three wholly owned operating subsidiaries: Walker Crips Stockbrokers Limited; Walker Crips Financial Services Limited and Keith, Bayley, Rogers & Co. Limited.
- 2.11 By an ordinary resolution passed on 9 July 2004 the Company resolved to authorise the directors of the Company to allot relevant securities, in accordance with section 80 of the Act, up to a maximum nominal amount of £712,896, such authority to expire, unless sooner renewed, revoked or varied, on the date of the next following annual general meeting of the Company.
- 2.12 By a special resolution passed on 9 July 2004 the Company resolved to empower the directors of the Company to allot equity securities as if section 89 of the Act did not apply to the Company, such power to expire on the earlier of the expiry of the section 80 authority set out above and the date of the next annual general meeting of the Company.

2.13 As at the date of this document, the authorised and issued share capital of the Company is as follows:

<i>Authorised</i>			<i>Issued, fully paid up</i>	
<i>Number</i>	<i>£</i>		<i>Number</i>	<i>£</i>
26,850,000	5,370,000	Ordinary shares of 20p each	10,763,466	2,152,693

2.14 Immediately following Completion, the authorised and issued share capital of the Company will be as follows:

<i>Authorised</i>			<i>Issued, fully paid up</i>	
<i>Number</i>	<i>£</i>		<i>Number</i>	<i>£</i>
26,850,000	5,370,000	Ordinary shares of 20p each	11,563,466	2,312,693

2.15 Immediately following Completion, the Company will have, after taking account of the 760,124 Ordinary Shares reserved to satisfy the exercise of options and up to 1,454,545 Ordinary Shares reserved to satisfy the issue of Further Consideration Shares, 13,071,865 unissued and uncommitted Ordinary Shares representing approximately 48.68 per cent. of the authorised share capital of the Company.

2.16 Under the WCWB 1996 Employee Share Option Scheme and the WCWB 1996 Registered Representatives Share Option Scheme, options granted by the Company over an aggregate of 560,124 Ordinary Shares remain outstanding as at the date of this document, as follows:

<i>Date of grant</i>	<i>Period of option</i>	<i>Number of options</i>	<i>Exercise price</i>
WCWB 1996 Employee Share Option Scheme:			
1 August 1996	1 August 1999 to 1 August 2006	15,000	70.0p
21 July 1999	21 July 2002 to 21 July 2009	83,000	89.5p
7 February 2000	7 February 2003 to 7 February 2010	6,500	164.5p
20 November 2001	20 Nov 2004 to 20 Nov 2011	22,624	150.0p
22 September 2003	22 Sept 2006 to 22 Sept 2013	125,242	126.5p
31 March 2004	31 March 2007 to 31 March 2014	20,000	147.5p
WCWB 1996 Registered Representatives Share Option Scheme:			
31 July 1996	31 July 1999 to 31 July 2006	23,000	70.0p
21 July 1999	21 July 2002 to 21 July 2009	17,000	89.5p
7 February 2000	7 February 2003 to 7 February 2010	35,000	164.5p
22 September 2003	22 September 2006 to 22 September 2013	207,758	126.5p
31 March 2004	31 March 2007 to 31 March 2014	5,000	147.5p

2.17 Under a term of the Acquisition Agreement, WCWB undertakes, as soon as practicable, to grant option in respect of 200,000 shares in WCWB in accordance with the terms of the WCWB 1996 Employee Share Option Scheme, such options to be allocated to staff members of the G&EIS Group in such proportions as the present directors of G&EIS shall determine.

2.18 Save as disclosed in this paragraph 2, no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

2.19 The Ordinary Shares are in registered form and may be held in uncertificated form if the holder so wishes.

2.20 None of the Consideration Shares have been sold or are being made available in whole or in part to the public in conjunction with the Acquisition.

3 Directors and Proposed Directors

3.1 As at the date of this document, the interests of the Directors, their immediate families and (so far as is known to the Directors or could with reasonable diligence be ascertained by them) connected persons (within the meaning of section 346 of the Act) in the issued share capital of the Company (all of which are beneficial unless otherwise stated), including (i) those notified to the Company pursuant to section 324 or section 328 of the Act, (ii) those required to be entered in the register maintained under section 325 of the Act and (iii) those of connected persons of the Directors which would, if the connected persons were Directors, be required to be disclosed under (i) or (ii) above, are as follows:

<i>Name</i>	<i>Ordinary Shares</i>	<i>Percentage of the issued share capital of the Company</i>	<i>Ordinary Shares under option</i>
Graham Kennedy	5,000	0.047	—
Michael Sunderland	879,300	8.169	—
Stephen Bailey	83,950	0.800	125,000
Rodney FitzGerald	10,000	0.093	50,000
Sean Lam	37,000	0.344	50,000
Lim Hua Min	—	—	—
Loh Hoon Sun	—	—	—
Martin Wright	1,500	0.014	—
Howard Saunders	426,310	3.961	—

- 3.2 Immediately following Completion, the expected interests of the Directors and the Proposed Directors, their families and (so far as is known to the Directors and the Proposed Directors or could with reasonable diligence be ascertained by them) connected persons (within the meaning of section 346 of the Act) in the issued share capital of the Company (all of which are beneficial unless otherwise stated), including (i) those notified to the Company pursuant to section 324 or section 328 of the Act, (ii) those required to be entered in the register maintained under section 325 of the Act and (iii) those of connected persons of the Directors and the Proposed Directors which would, if the connected persons were Directors, be required to be disclosed under (i) or (ii) above, will be as follows:

<i>Name</i>	<i>Ordinary Shares</i>	<i>Percentage of the issued share capital of the Company</i>	<i>Ordinary Shares under option</i>
Graham Kennedy	5,000	0.043	—
Michael Sunderland	879,300	7.604	—
Stephen Bailey	83,950	0.726	125,000
Rodney FitzGerald	10,000	0.086	50,000
Sean Lam	37,000	0.320	50,000
Lim Hua Min	—	—	—
Loh Hoon Sun	—	—	—
Martin Wright	1,500	0.013	—
Howard Saunders	426,310	3.687	—
David Hetherington	120,045	1.038	—
Robert Elliott	81,088	0.701	—

Immediately following Completion, Robert Elliott will also have a non-beneficial interest in 405,442 Ordinary Shares as trustee.

- 3.3 The executive directors of WCWB have each entered into service agreements with WCWB dated 1 December 2004 for a term of three years commencing on 1 December 2004 but taking account of previous continuous periods of service. The agreements are terminable on not less than six months' notice in writing at any time (12 months in the case of notice given by WCWB to Rodney FitzGerald) and by WCWB immediately on notice in the event of the executive director's bankruptcy, serious or persistent misconduct, becoming a mental health patient, being prohibited from being a director or convicted of a criminal offence (other than one which in the reasonable opinion of the Directors does not affect his position in the Company) and shall terminate automatically on the sixty-fifth birthday of the executive director. The agreements include reservation of the right by WCWB to make a payment in lieu of notice of termination of the appointment which it or the executive director is required to give, in which event additional compensation for holiday accrued but not taken would be forfeit. In addition to salary, the executive directors are entitled to a profit share calculated and allocated by the Directors in their discretion, taking account of any acquisition by WCWB of a business or company which is anticipated to increase by more than 5 per cent. the turnover or net assets of WCWB, and calculated by reference to 5 per cent. of net profits of WCWB between £400,000 and £1,000,000 per annum and 10 per cent. of net profits of WCWB in excess of £1,000,000, such calculations subject to variation by the remuneration committee; reimbursement of reasonable expenses in the discharge of the duties of the executive director; private health care for the executive director, his spouse and children under 21

under a scheme approved by the Directors; permanent health insurance; and contributions of between 7 per cent. and 20 per cent. of the salary of the executive director into a personal pension plan.

The annual salaries of the executive directors payable under the arrangements in force as at the date of this document, inclusive of any fees receivable by them as a director of any of the group companies of WCWB, are as follows:

<i>Executive director</i>	<i>Salary</i>
Michael Sunderland	£70,000
Stephen Bailey	£119,700
Rodney FitzGerald	£103,950
Sean Lam	£126,000

- 3.4 Graham Kennedy was appointed as non-executive Chairman of WCWB by a letter agreement dated 20 April 2000 for a term commencing on 31 March 2000 of not less than two years and thereafter terminable by either party on at least six months' notice in writing or otherwise in accordance with the Articles of Association of WCWB and with a right for the Chairman to resign immediately on notice in circumstances where he is concerned over the manner in which WCWB is conducting its business or that WCWB is not making information about it available to him. His remuneration is a fee of £20,000 per annum plus reimbursement of other specific expenses incurred on behalf of WCWB.

Martin Wright has a letter of appointment dated 10 July 2000 for a term of not less than two years commencing on 9 July 2000 and terminable by either party on not less than three months' notice in writing or otherwise in accordance with the Articles of Association of WCWB. He also retains the right to resign immediately on notice to WCWB if he becomes concerned over the conduct of affairs of WCWB or that information concerning it is not being made available to him. His fees are £10,000 plus VAT per annum payable to Campbell Hooper on a *pro rata* basis quarterly in arrears.

Howard Saunders has a Letter of Appointment dated 30 April 2003 for a term of two years commencing 30 April 2003 and terminable by either party on not less than three months' notice in writing or otherwise in accordance with the Company's articles of association. His fees are £12,500 per annum.

Lim Hua Min and Loh Hoon Sun have no formal service agreements and receive no remuneration from WCWB.

The non-executive directors of WCWB are not eligible for employee benefits such as pension contributions or share options.

- 3.5 There will be no variation to the total emoluments receivable by the Directors in consequence of the Acquisition.
- 3.6 Immediately following Completion, David Hetheron, the Proposed executive Director, will enter into a service agreement terminable by either David Hetheron or WCWB on not less than six months' notice in writing, such notice not to be given prior to 31 March 2008, and at any time by WCWB if he becomes bankrupt, is guilty of misconduct, becomes a mental health patient, is disqualified from being a director or is convicted of any criminal offence (except one in the reasonable opinion of the Board which does not affect his position in the Company), commits an act in the reasonable opinion of the Board amounting to gross misconduct in connection with or affecting the business of WCWB or its group, commits a material or persistent breach of the service agreement, commits any act of dishonesty, becomes addicted to or habitually under the influence of any drug (not prescribed by a doctor) the possession of which is controlled by law or commits any act bringing or liable to bring WCWB into disrepute. His remuneration is to be a salary of £103,950 per annum inclusive of fees receivable by him as a director of any other group company and in addition to benefits including pension, private health care and permanent health insurance. He will also be reimbursed reasonable expenses properly incurred in the discharge of his duties.
- 3.7 Immediately following Completion, Robert Elliott, the Proposed non-executive Director, will be appointed as a non-executive director of WCWB by letter agreement terminable in accordance with the Articles of Association of WCWB and with a right for him to resign immediately on notice in circumstances where he is concerned over the manner in which WCWB is conducting its business or that WCWB is not making information about it available to him. His remuneration will be a fee of £10,000 per annum plus reimbursement of other specific expenses incurred on behalf of WCWB.

3.8 The Proposed Directors have held the following directorships and have been partners in the following partnerships during the last five years:

<i>Name</i>	<i>Company</i>	<i>Status</i>
David Hetherton	G&E Investment Services Limited	Current
	London York Fund Managers Limited	Current
	London York Asset Management Limited	Current
	London York Financial Services Limited	Current
	London York Pensions Management Limited	Current
	Foss Properties Limited	Current
	Monkgate Nominees Limited	Current

Robert Elliott

<i>Current Directorships</i>	<i>Previous Directorships since 1/1/2000</i>	<i>Date of Resignation</i>
G & E Investment Services Limited	Gediyat Fifth Property Limited	23/01/2001
Fulford Golf Course Limited	Gediyat Sixth Property Limited	07/11/2000
Belsfield Court Management Co Limited	Gediyat Seventh Property Limited	03/04/2001
London York Fund Managers Limited	Gediyat Eighth Property Limited	15/02/2001
London York Asset Management Limited	Gediyat Eleventh Property Limited	13/02/2000
London York Financial Services Limited	Gediyat Twelfth Property Limited	30/01/2001
London York Pensions Management Limited	Gediyat Eighteenth Property Limited	26/12/2000
Harewood Ridgeway Professional Services Limited	Gediyat Nineteenth Property Limited	07/03/2000
Gediyat Thirty Fifth Property Limited	Gediyat Twenty First Property Limited	11/07/2000
Gediyat Fifty First Property Limited	Gediyat Twenty Second Property Limited	04/07/2000
Famco Holdings Limited	Gediyat Twenty Fifth Property Limited	15/02/2001
Powercut Limited	Gediyat Twenty Sixth Property Limited	09/10/2000
Powercut Distribution Co Limited	Gediyat Twenty Ninth Property Limited	18/01/2000
Powerlyte Distribution Limited	Gediyat Twenty Tenth Property Limited	14/08/2001
Energactive Limited	Gediyat Thirtieth Property Limited	14/08/2001
Monkgate Nominees Limited	Gediyat Thirty First Property Limited	14/08/2001
Norwest Sales Limited	Gediyat Thirty Second Property Limited	24/04/2001
Norwest Investments Limited	Gediyat Thirty Third Property Limited	15/02/2000
Norwest Estates (UK) Limited	Gediyat Thirty Fourth Property Limited	08/06/2004
Ignition Car Supermarkets Limited	Gediyat Thirty Seventh Property Limited	14/08/2001
Foss Properties Limited	Gediyat Thirty Eighth Property Limited	24/04/2001
Dorton Holdings Limited	Gediyat Thirty Ninth Property Limited	18/01/2000
Norwest Developments (UK) Limited	Gediyat Forty Second Property Limited	13/02/2001
RAE The Croft Trustees Limited	Gediyat Forty Third Property Limited	09/01/2001
JCH Trustees Limited	Gediyat Forty Fourth Property Limited	09/01/2001
Audax Holdings Limited	Gediyat Forty Sixth Property Limited	12/12/2000
Leeper Hare Developments Limited	Gediyat Forty Seventh Property Limited	14/11/2000
Juggernaut Limited	Gediyat Forty Eighth Property Limited	14/11/2000
	Gediyat Forty Ninth Property Limited	26/06/2001
	Gediyat Fiftieth Property Limited	05/03/2002
	Gediyat Fifty Second Property Limited	20/01/2004
	Garbutt & Elliott Limited	30/06/2002
	G & E (Holdings) Limited	30/06/2002
	Technovent Limited	01/06/2004
	T & R Precision Engineering Limited	08/09/2004
	Graham Holdings Limited	07/12/2004
	Otley Motors Limited	07/12/2004
	Garbutt & Elliott (Partnership)	05/04/2001

3.9 Neither of the Proposed Directors has:

- any unspent convictions in relation to indictable offences;
- been declared bankrupt or entered into an individual voluntary arrangement with his creditors;
- been a director with an executive function of any company which, at the time he was a director or within 12 months of his ceasing to be director, was put into receivership, compulsory liquidation, creditors voluntary liquidation or administration or entered into any company voluntary arrangement or composition or arrangement with its creditors or any class of its creditors;

- been a partner of any partnership which, at the time he was a partner or within 12 months of his ceasing to be partner, was put into compulsory liquidation or administration or entered into any partnership voluntary arrangement with its creditors or any class of its creditors;
- had any asset of his or any partnership of which, at the time he was a partner or within 12 months of his ceasing to be a partner, was put into receivership;
- been publicly criticised by statutory or regulatory authorities (including designated professional bodies); or
- been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

3.10 In 2000 London York Fund Managers Limited, a subsidiary of G&EIS of which Mr Hetherington was a director, was fined £20,000 plus costs by the Personal Investment Authority (now part of the FSA) for pension review failings arising prior to November 1998.

3.11 None of the Directors or the Proposed Directors has had any interest in any transactions which are or were unusual in their nature or conditions or significant to the business of the Company and which were effected by the Company during the current or immediately preceding financial year or during an earlier financial year and remain in any respect outstanding or unperformed.

3.12 The Company grants interest free season ticket loans to directors and other employees for the purpose of purchasing season tickets for travel to work. As at the date of this document, the aggregate amount of such loans outstanding to Directors was £666.

Save as disclosed in this paragraph 3.11, none of the Directors or the Proposed Directors has outstanding any loans granted by the Company or been provided with any guarantees for their benefit by the Company.

4 Substantial shareholders

4.1 As at the date of this document, so far as the Directors are aware, the following persons (excluding Directors) were, directly or indirectly, interested in 3 per cent. or more of the issued share capital of the Company.

<i>Name</i>	<i>Ordinary Shares</i>	<i>Percentage of the issued share capital of the Company</i>
Liontrust Intellectual Capital Trust	939,975	8.73
L W S Lim	837,392	7.78
M-T L Lim	837,392	7.78
W J L Lim	837,391	7.78
Alec Howard Drummon	388,121	3.60

4.2 Immediately following Completion, so far as the Directors are aware, the following persons (excluding Directors and the Proposed Directors) are expected to be, directly or indirectly, interested in 3 per cent. or more of the issued share capital of the Company.

<i>Name</i>	<i>Ordinary Shares</i>	<i>Percentage of the issued share capital of the Company</i>
Liontrust Intellectual Capital Trust	939,975	8.129
L W S Lim	837,392	7.242
M-T L Lim	837,392	7.242
W J L Lim	837,391	7.242
Alec Howard Drummon	388,121	3.356]

5 Material contracts

5.1 Save for the Acquisition Agreement, details of which are set out in Part II of the Circular, and the agreements referred to in paragraph 5.2 below, there are no contracts (other than contracts entered into in the ordinary course of business) which have been entered into by G&EIS or any subsidiary of G&EIS within the two years immediately preceding the date of this document and which are or may be

material or any other contracts (other than contracts entered into in the ordinary course of business) which contain any provision under which G&EIS or any subsidiary of G&EIS has any obligation or entitlement which is material to G&EIS at the date of this document.

- 5.2 Save for the Acquisition Agreement, there are no contracts (other than contracts entered into in the ordinary course of business) which have been entered into by the Company or any of its subsidiaries within the two years immediately preceding the date of this document and which are or may be material or any other contracts (other than contracts entered into in the ordinary course of business) which contain any provision under which the Company or any of its subsidiaries has any obligation or entitlement which is material to the Company at the date of this document other than:
- (a) A sale and purchase agreement for the sale of the entire issued share capital of Foss Properties Limited by G&EIS to the Vendors is unexecuted at the date of this document but shall be executed by the parties thereto immediately prior to Completion. Foss Properties Limited is the owner of the freehold property known as Foss Islands House, Foss Islands Road, York YO31 7UJ. The Agreement provides for the sale of the share capital of Foss Properties Limited for a total of £72,960 in cash and the sale of the shares shall complete immediately after execution of that agreement. There is an existing lease dated 1 May 2003, which is referred to in paragraph 5.3 below, between Foss Properties Limited and London York Fund Managers Limited and this is not a sale and leaseback transaction.
 - (b) A Deed of Variation of Lease relating to Foss Islands House, Foss Islands Road, York YO31 7UJ is unexecuted at the date of this document but shall be executed by Foss Properties Limited and London York Fund Managers Limited immediately prior to Completion. London York Fund Managers Limited is the tenant of Foss Islands House under a lease dated 1 May 2003. The Deed introduces, amongst other terms:
 - (i) a break clause in 2010 (5 years from the date of Completion) for which no consideration is payable;
 - (ii) the creation of a covenant by the landlord not to waive exemption from VAT prior to the later of 5 years from the date of the deed of variation or the date that London York Fund Managers Limited ceases to be the tenant but the landlord can elect after 30 April 2018;
 - (iii) the removal of the rent review assumption that all VAT payable by the tenant to the landlord is recoverable and removal of the disregard in the rent review provisions of decreases in rental value of the premises due to any VAT charged on the rent or that a landlord may in future elect to charge VAT; and
 - (iv) relaxation of the alienation provisions.

6 Litigation

- 6.1 There are no legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Directors or the Proposed Directors are aware) which may have or have had in the recent past (covering at least the 12 months immediately preceding the date of this document) a significant effect on the financial position of the Existing Group.
- 6.2 There are no legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Directors or the Proposed Directors are aware) which may have or have had in the recent past (covering at least the 12 months immediately preceding the date of this document) a significant effect on the financial position of the G&EIS Group.

7 Working capital

The Directors and the Proposed Directors are of the opinion that the Enlarged Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this document.

8 Significant changes

- 8.1 A corporate restructuring was implemented in the second quarter of 2004 whereby all the existing businesses of WCWB were allocated to a newly formed wholly-owned subsidiary, Walker Crips Stockbrokers Limited. On 1 April 2004, the financial services division of the existing subsidiary Keith, Bayley, Rogers & Co. Limited was also transferred to a new wholly owned subsidiary, Walker Crips Financial Services Limited. On 5 April 2004, WCWB ceased conducting its investment business and

will continue as an unregulated holding company. Keith, Bayley, Rogers & Co. Limited continues to conduct corporate finance business only.

There has been no significant change in the financial or trading position of the Existing Group since 30 September 2004, being the end of six month period for which unaudited interim figures were made up, and which were sent to shareholders on 12 November 2004.

- 8.2 There has been no significant change in the financial or trading position of G&EIS Group neither since 30 September 2004, being the end of the last financial period for which audited financial statements for G&EIS have been published nor since the date to which the Accountants' Report is made up.

9 Miscellaneous

- 9.1 Barber & Co have given and have not withdrawn their written consent to the inclusion in this document of their letter and references to their name in the form and context in which they are included.
- 9.2 Deloitte & Touche LLP have audited the annual accounts of the Company for the three financial years ended 31 March 2002, 2003 and 2004.
- 9.3 Creers have audited the annual accounts of G&EIS for the three financial years ended 30 September 2002, 2003 and 2004.
- 9.4 The issue price of the Initial Consideration Shares will be the mid-market price taken from the Daily Official List of The London Stock Exchange on the day preceding the date of Completion, and the premium will be the difference between that price and the par value of 20p per share.
- 9.5 Definitive certificates in respect of the Initial Consideration Shares will be issued within seven days of Completion. No temporary documents of title will be issued.
- 9.6 Copies of this document are available to the public, free of charge, from the registered office of the Company, Sophia House, 76/80 City Road, London EC1Y 2EQ and the offices of G&EIS, at Foss Islands House, Foss Islands Road, York YO31 7UJ during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this document until the conclusion of the EGM.

10 Documents available for inspection

Copies of the following documents will be available for inspection at the registered office of the Company, Sophia House, 76/80 City Road, London EC1Y 2EQ and the offices of G&EIS, Foss Islands House, Foss Islands Road, York YO31 7UJ, during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this document until the conclusion of the EGM:

- 10.1 the memorandum and articles of association of the Company;
- 10.2 the audited accounts of the Company for the two financial years ended 31 March 2003 and 2004;
- 10.3 the audited accounts of G&EIS for the three financial years ended 30 September 2002, 2003 and 2004;
- 10.3 The Accountants' Report on G&EIS
- 10.4 The Consolidated pro-forma net asset statement
- 10.5 the irrevocable voting undertakings from the Directors, and other shareholders referred to in paragraph 9 of Part I of this document;
- 10.6 the service contracts referred to in paragraph 3 above;
- 10.7 the consent letters referred to in paragraph 9 above;
- 10.8 the material contracts referred to in paragraph 5 above; and
- 10.9 this document.

21 March 2005.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Walker, Crips, Weddle, Beck plc

(Registered number 1432059)

NOTICE is hereby given that an Extraordinary General Meeting of Walker, Crips, Weddle, Beck plc (the "Company") will be held at Sophia House, 76/80 City Road, London EC1Y 2EQ on 6 April 2005 at 11.00 am for the purpose of considering and, if thought fit, passing the following resolution:

Ordinary Resolution

THAT the acquisition of the entire issued share capital of G&E Investment Services Limited pursuant to and on the terms of a conditional agreement dated 11 February entered into between David Hetheron and Rebecca Hetheron, Richard Byfield, Nigel Skelton and Michelle Skelton, Michael Backhouse and Robert Elliott (1) and the Company (2) (a copy of which, initialled by the Chairman for the purposes of identification, has been produced to the meeting) be and is hereby approved and that the directors of the Company be and are hereby authorised to do whatever they consider necessary or appropriate in connection with or for the purpose of completing the proposed acquisition provided that the terms of the transaction are not altered in any material way.

Dated 21 March 2005

BY ORDER OF THE BOARD

R A FitzGerald FCA
Company Secretary

Registered Office:
Sophia House
76/80 City Road
London EC1Y 2EQ

Notes:

A member entitled to attend and vote at the meeting hereby convened is entitled to appoint one or more proxies to attend and, on a poll, vote in his place. A proxy need not be a member of the Company.

The instrument appointing a proxy must be signed and lodged with the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, not later than 48 hours before the time appointed for the holding of the meeting hereby convened.

Completion and return of a form of proxy will not prevent a member from attending the meeting hereby convened and voting in person should the member so wish.

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FORM OF PROXY

Walker, Crips, Weddle, Beck plc

(Registered number 1432059)

PLEASE COMPLETE IN BLOCK CAPITALS

I/We.....

of

being a member/members of the Company, hereby appoint

.....

or, failing whom, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held on 6 April 2005 and at any adjournment thereof.

Please indicate by inserting an "X" in the appropriate space below the manner in which the proxy is to vote. In the absence of any specific directions, the proxy may vote or abstain as he/she thinks fit, whether on any of the resolutions set out below or on any other matter which may properly come before the meeting and any adjournment thereof.

ORDINARY RESOLUTION	FOR	AGAINST
To approve the acquisition of the entire issued share capital of G&E Investment Services Limited		

Signed Dated.....

Notes:

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his place. A proxy need not be a member of the Company.

To be valid, this form of proxy must be signed and lodged with the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, not later than 48 hours before the time appointed for the holding of the meeting. Any power of attorney or other authority under which this form is signed or a notarially certified copy of such power or authority must be lodged with this form.

In the case of a corporation, this form must be signed as a deed or under the hand of an officer or attorney duly authorised in that behalf.

In the case of joint holders, the signature of any one holder will be sufficient but the names of all joint holders should be stated.

Completion and return of a form of proxy will not prevent a member from attending the meeting and voting in person should the member so wish.



Third fold and tuck in

BUSINESS REPLY SERVICE
Licence No. BM3865



NEVILLE REGISTRARS LIMITED
NEVILLE HOUSE
18 LAUREL LANE
HALESOWEN
WEST MIDLANDS
B63 3BR

Second fold

First fold