

**PLT LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2004**



COMPANY REGISTRATION NUMBER: 2070632<sup>2</sup>

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## **PLT LIMITED**

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### **BOARD OF DIRECTORS**

Mr M. R. S. Royer-Kennedy  
Mr J. J. Robinson

### **COMPANY SECRETARY**

Mr M. R. S. Royer-Kennedy

### **REGISTERED OFFICE**

Second Floor  
14 Nicholas Lane  
London  
EC4N 7BN

### **AUDITORS**

Solomon Hare LLP  
Chartered Accountants  
Registered Auditors  
Oakfield House  
Oakfield Grove  
Clifton  
Bristol  
BS8 2BN

### **BANKERS**

Barclays Bank  
London Corporate Banking  
155 Bishopsgate  
London  
EC2M 3XA

**DIRECTORS' REPORT**

The directors present their report and the financial statements of the company for the year ended 31 December 2004.

**PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was the granting of short and medium term loans to the smaller residential house builder.

**FUTURE DEVELOPMENTS**

The company intends to continue to develop the principal activity through the granting of short and medium term loans to the smaller residential house builder.

**RESULTS AND DIVIDENDS**

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors do not recommend the payment of a dividend (2003 - £nil).

**DIRECTORS**

The directors who served the company during the year were as follows:

Mr M. R. S. Royer-Kennedy

Mr J. J. Robinson

Mr J. S. Mack

Resigned 16<sup>th</sup> March 2005

The company is a wholly owned subsidiary and the interests of the directors are disclosed in the financial statements of the ultimate parent company.

**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 at the end of the year and of the profit or loss for the year then ended.

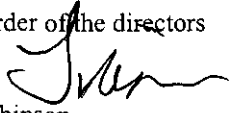
In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 6, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

**AUDITORS**

A resolution to re-appoint Solomon Hare LLP as the Auditors and to authorise the Directors to agree their remuneration will be proposed at the Annual General Meeting.

Signed by order of the directors

  
Jeremy J Robinson  
Director

Approved by the directors on 21/4/05

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PLT LIMITED**

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the directors and the auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

**Basis of audit 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Solomon Hare LLP  
Chartered Accountants  
Registered Auditors  
Oakfield House  
Oakfield Grove  
Clifton  
Bristol  
BS8 2BN

Date: 21 April 2005

**PLT LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2004**

		2004	2003
	Note	£'000	£'000
<b>Turnover</b>		332	428
Interest payable and similar charges	3	(62)	(87)
		<hr/>	<hr/>
		270	341
Operating expenses		(1)	(32)
Bad debts recovered		79	10
Provisions (provided)/released		(253)	794
		<hr/>	<hr/>
<b>Operating profit</b>	5	95	1,113
Other income		5,010	329
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		5,105	1,442
Tax charge on profit on ordinary activities	8	(2)	(16)
		<hr/>	<hr/>
<b>Retained profit for the year</b>	16	<u>5,103</u>	<u>1,426</u>

All activities derive from continuing operations.


There are no recognised gains or losses other than the profit for the current or prior years.

The notes on pages 6 to 12 form part of these financial statements.

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2004**

		2004		2003	
	Note	£'000	£'000	£'000	£'000
<b>Investments</b>					
Investment in subsidiary companies	8		165		165
<b>Current assets</b>					
Debtors	9	36,679		34,906	
Cash at bank		127		27	
		<u>36,807</u>		<u>34,933</u>	
<b>Creditors: Amounts falling due within one year</b>	10	<u>(1,761)</u>		<u>(4,990)</u>	
<b>Net current assets</b>			35,046		29,943
<b>Total assets less current liabilities</b>			35,211		30,108
<b>Creditors: Amounts falling due after more than one year</b>	11		<u>(23,991)</u>		<u>(23,991)</u>
			<u>11,220</u>		<u>6,117</u>
<b>Capital and reserves</b>					
Called up share capital	14		36,339		36,339
Share premium account			11,063		11,063
Profit and loss account	15		<u>(36,182)</u>		<u>(41,285)</u>
<b>Shareholders' funds</b>	16		<u>11,220</u>		<u>6,117</u>
Attributable to:					
Equity shareholders			(2,307)		(7,410)
Non-equity shareholders			13,527		13,527
			<u>11,220</u>		<u>6,117</u>

These financial statements were approved by the directors on the 21/4/05 and are signed on their behalf by:

  
.....  
Jeremy J Robinson  
Director

The notes on pages 6 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**1 ACCOUNTING POLICIES**

**a. Basis of accounting**

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

The company has taken advantage of the exemption to prepare group accounts per section 228(2) of the Companies Act 1985 as a wholly owned subsidiary and it is included in the consolidated financial statements of its parent company. The financial statements of the company present information about it as an individual undertaking and not about its group.

**b. Cash flow statement**

The cash flows of the company are included in the cash flow statement prepared by Leadenhall Holdings Limited. Accordingly, the company has taken advantage of the exemption in paragraph 5(a) of financial reporting Standard 1 (Revised 1996), "Cash Flow Statement", and not published its own cash flow statement..

**c. Deferred taxation**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred taxation balance has not been discounted.

**d. Investments**

Investments represent shares in group undertakings and are stated at cost less any impairment.

**e. Provisions**

*Provisions are made against loans and advances where in the opinion of the directors, their recovery is considered doubtful. Interests on such loans and advances is suspended and not taken to income until received unless overridden by (f) here under. In addition, a general provision is maintained against the portfolio of loans to cover possible losses not specifically identified. This provision is calculated with reference to historic levels of recovery of portfolio amounts.*

**f. Valuation of customer loans**

The underlying property values, in conjunction with the group's cost of funds, are used in order to provide a basis for the valuation of the non-performing customer loans and to estimate the loan loss provisions.

The underlying properties are valued by the directors using both a rental yields formula (based upon the group's cost of funds) and independent professional valuations.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**2 TURNOVER AND OTHER INCOME**

Turnover represents interest income earned on an accrual basis from the loan portfolio of the company. Fees earned in association with the arrangement, management and completion of a loan agreement are included within other income. Arrangement fee income is taken to the profit and loss account on the drawdown of a loan. Other fee income is recognised in the profit and loss account when earned.

Other income also includes dividends received and receivable from subsidiary undertakings.

**3 INTEREST PAYABLE**

	2004	2003
	£'000	£'000
Interest payable to subsidiary company	16	-
Interest payable on bank borrowing	46	87
	<u>62</u>	<u>87</u>

**4 OTHER INCOME**

	2004	2003
	£'000	£'000
Dividends receivable	4,969	-
Other fee income	41	329
	<u>5,010</u>	<u>329</u>

**5 PARTICULARS OF EMPLOYEES**

No salaries or wages have been paid to employees, including the directors, during the year.

No staff were employed during the year (2003: nil).

**6 TAX ON PROFIT ON ORDINARY ACTIVITIES**

(a) Analysis of charge in the year

	2004	2003
	£'000	£'000
Current tax:		
UK Corporation tax based on the results for the year at 19% (2003: 0%)	2	-
(Over)/under provision in prior year	-	16
Total current tax	<u>2</u>	<u>16</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004

6 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

(b) Factors affecting current tax charge

	2004	2003
	%	%
The standard rate of corporation tax in the UK	30.0	30.0
Effects of:		
Income not taxable	(29.2)	-
Short term timing differences	0.6	0.2
Group relief claimed not paid for	-	(1.0)
Trade losses brought forward utilised	(1.3)	(29.2)
	0.1	-
Adjustments to tax in respect of prior periods	-	1.1
Effective rate of current tax charge for period	0.1	1.1

7 INVESTMENT IN SUBSIDIARIES

	2004	2003
	£'000	£'000
Cost		
At 1 January	165	-
Additions in year	-	165
At 31 December	165	165

The company owns one hundred and sixty five thousand and two ordinary shares each of £1 nominal value (fully paid), being all of the issued share capital of PLT Nominees Limited. PLT Nominee Limited is registered in England and Wales and it's principal activity is holding certain investment properties prior to their sale.

The company also owns two blocks of one hundred ordinary shares each of £1 nominal value (fully paid), being all of the issued share capital of PLT (Property Limited) and PLT (Newcastle Development) Limited, which are registered in England and Wales. Both these companies are dormant.

The company owns one ordinary share of £1 nominal value (fully paid) being all of the issued share capital of PLT (Brampton) Limited, which is registered in England and Wales. The company is dormant.

The company owns one ordinary share of £1 nominal value (fully paid) being all of the issued share capital Kennard Court (Home Reservations) Limited, which is registered in England and Wales. The company is dormant.

All investments are carried at cost.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**8 DEBTORS**

	2004	2003
	£'000	£'000
Trade debtors	3,075	1,222
Amounts owed by group undertaking	33,592	33,675
Corporation tax	-	3
Other debtors and prepayments	12	6
	<u>36,679</u>	<u>34,906</u>

Loans have been included as trade debtors and are classified as due within one year based on an expectation that monies will be received from the sale of assets taken as security on them.

**9 CREDITORS: Amounts falling due within one year**

	2004	2003
	£'000	£'000
Bank loans and overdrafts	1,500	-
Amounts owed to group undertakings	256	4,983
Corporation tax	2	-
Other creditors	-	3
Accruals and deferred income	3	4
	<u>1,761</u>	<u>4,990</u>

In July 2004, Barclays Bank PLC renewed a roll-over facility of £2million to the company. The loan is secured by a charge over the trade debtors of the company. At 31 December 2004 the amount of the loan outstanding was £1.5 million (2003: £nil).

**10 CREDITORS: Amounts falling due after more than one year**

	2004	2003
	£'000	£'000
Amounts owed to group undertakings	<u>23,991</u>	<u>23,991</u>

The loans are repayable in forty years and do not carry any interest.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**11 DEFERRED TAXATION**

No provision has been made in the financial statements and the amounts unprovided at the end of the year are as follows:

	2004	2003
	£'000	£'000
Deferred tax asset not recognised	9,360	9,398

No provision has been made in the accounts for deferred taxation as there exists a deferred tax asset which is unlikely to be recovered in the foreseeable future.

**12 RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption provided by FRS8 not to disclose transactions with group companies on the basis that it is a 100% owned subsidiary and consolidated accounts in which it is included are publicly available. There were no other related party transactions requiring disclosure.

**13 SHARE CAPITAL**

**Authorised share capital:**

	2004	2003
	£'000	£'000
88,320,000 Ordinary shares of £0.25 each	22,080	22,080
10,000,000 Deferred ordinary shares shares of £0.75 each	7,500	7,500
3,333,333 Preferred ordinary shares shares of £0.25 each	833	833
6,666,667 Non-voting preferred ordinary shares shares of £0.25 each	1,667	1,667
5,074,675 B deferred shares shares of £0.75 each	3,806	3,806
5,000,000 Preference shares of £1 each	5,000	5,000
	<u>40,886</u>	<u>40,886</u>

**Allotted and called up:**

	2004	2003
	£'000	£'000
84,612,000 Ordinary shares of £0.25 each	21,153	21,153
6,294,667 Deferred ordinary shares shares of £0.75 each	4,721	4,721
2,240,000 Preferred ordinary shares shares of £0.25 each	560	560
4,396,000 Non-voting preferred ordinary shares shares of £0.25 each	1,099	1,099
5,074,675 B deferred shares shares of £0.75 each	3,806	3,806
5,000,000 Preference shares of £1 each	5,000	5,000
	<u>36,339</u>	<u>36,339</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**14 SHARE CAPITAL (Continued)**

**Non equity shares**

Both the deferred ordinary shares and the 8.25% preference shares are non equity shares as defined by FRS4. The holders of the deferred ordinary shares are not entitled to any dividends, profits of the company or to vote at general meetings. On winding up, the holders are entitled to the amount paid up after the shareholders have received £10 million. The holders of the preference shares are entitled, if the company so resolves, to an 8.25% non cumulative dividend. They are not entitled to vote except if the company is winding up, is altering its rights or has not paid a dividend for six months. The company may redeem these preference shares at par at any time between 1 May 2008 and 31st December 2012.

**Equity shares**

The ordinary shares, the preferred ordinary shares and the non voting preferred shares are equity shares as defined by FRS 4. The holders of the non-voting preferred shares are not entitled to vote at the general meetings except in relation to winding up the company, altering the rights attaching to the shares or reducing the share capital of the company. In all other respects the preferred ordinary shares and non-voting preferred shares rank pari passu with the ordinary shares.

**15 PROFIT AND LOSS RESERVE**

	2004	2003
	£'000	£'000
Balance at beginning of year	(41,285)	(42,711)
Profit for the year	5,103	1,426
Balance at end of year	<u>(36,182)</u>	<u>(41,285)</u>

**16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

**Equity shareholders funds**

	2004	2003
	£'000	£'000
Profit for the financial year	5,103	1,426
Opening equity shareholders' deficit	<u>(7,410)</u>	<u>(8,836)</u>
Closing equity shareholders' deficit	<u>(2,307)</u>	<u>(7,410)</u>

**Non equity shareholders' funds**

Opening and closing shareholders' non-equity funds	<u>13,527</u>	<u>13,527</u>
<b>Total shareholders' funds</b>	<u><b>11,220</b></u>	<u><b>6,117</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

**17      ULTIMATE PARENT COMPANY**

The ultimate parent company and controlling entity is Leadenhall Holdings Limited, a company incorporated in Great Britain, which is also the smallest and largest group in which the results of the company are consolidated.

The financial statements of Leadenhall Holdings Limited can be obtained from Second Floor, 14 Nicholas Lane, London EC4N 7BN.