

GAMMA LEASING LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 30 JUNE 2005



GAMMA LEASING LIMITED

I N D E X

Year ended 30 June 2005

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GAMMA LEASING LIMITED

GENERAL INFORMATION

Year ended 30 June 2005

Directors	R L J Grant I D Grant A C Zaphiriou-Zarifi
Secretary	J Oddie
Registered office	Grant House 56-60 St John Street London EC1M 4DT
Company number	1629129
Auditors	Dixon Wilson (P O Box 900) Rotherwick House 3 Thomas More Street London EIW 1YX

GAMMA LEASING LIMITED

REPORT OF THE DIRECTORS

Year ended 30 June 2005

The directors present their report and accounts for the year ended 30 June 2005.

Principal activity

The company's principal activity throughout the year was and will continue to be equity investment.

Results and dividends

The company made a profit for the year of £185,862 (2004 – profit £956,274) which was transferred to reserves. In the opinion of the directors the company's results and future development are satisfactory.

The directors do not recommend the payment of a dividend for the year (2004 - £nil).

Directors and directors' interest

The directors who held office during the year are shown on page 2. The directors had no interest in the shares of the company.

All the directors are also directors of the holding company, Alpha Gamma Limited and their interests in the share capital of that company are disclosed in its accounts.

Political and charitable contributions

The company made no political or charitable contributions during the year.

Auditors

A resolution to re-appoint Dixon Wilson as auditors in accordance with Section 385 of the Companies Act 1985 will be proposed at the forthcoming annual general meeting.

On behalf of the board



I D GRANT
Director

London

12 December 2005

GAMMA LEASING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Year ended 30 June 2005

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

GAMMA LEASING LIMITED

AUDITORS' REPORT

Year ended 30 June 2005

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GAMMA LEASING LIMITED

We have audited the financial statements of Gamma Leasing Limited for the year ended 30 June 2005 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes. These financial statements have been prepared under the historical cost convention and under the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's 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 members as a body, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and 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.

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 affairs of the company as at 30 June 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

D. W. L.

DIXON WILSON
Chartered Accountants and Registered Auditors
Rotherwick House
3 Thomas More Street
London E1W 1YX

28 December 2005

GAMMA LEASING LIMITED**PROFIT AND LOSS ACCOUNT****Year ended 30 June 2005**

	Note	2005 £	2004 £
Administrative expenses		(8,736)	(6,784)
Dividends receivable from listed investments		40,178	23,492
Profit on shares		145,824	1,082,602
Operating profit	1	177,266	1,099,310
Interest receivable		24,669	19,865
Interest payable	3	(13,906)	(304)
Profit on ordinary activities before taxation		188,029	1,118,871
Taxation on profit on ordinary activities	4	(2,167)	(162,597)
Profit on ordinary activities after taxation		185,862	956,274
Dividends	5	-	-
Retained profit for the financial year		185,862	956,274
Retained profit/(loss) brought forward		773,964	(182,310)
Retained profit carried forward		959,826	773,964

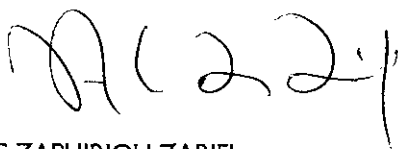
The company has no recognised gains or losses other than the profit for the year and for the previous year.

All amounts relate to continuing activities.

GAMMA LEASING LIMITED**BALANCE SHEET****At 30 June 2005**

	Note	2005 £	2004 £
Current assets			
Investments	6	3,279,318	3,333,766
Cash at bank and in hand		89,891	12,062
		<u>3,369,209</u>	<u>3,345,828</u>
Creditors: amounts falling due within one year	7	(2,409,283)	(2,571,764)
Net current assets		<u>959,926</u>	<u>774,064</u>
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account	9	959,826	773,964
Equity shareholders' funds	10	<u>959,926</u>	<u>774,064</u>

The financial statements on pages 6 to 11 were approved by the board of directors on 12 December 2005 and were signed on its behalf by:-



A C ZAPHIRIOU-ZARIFI
Director



R L J GRANT
Director

GAMMA LEASING LIMITED

ACCOUNTING POLICIES

Year ended 30 June 2005

The particular accounting policies adopted are described below.

Basis of preparation

The financial statements have been prepared under the historical cost convention.

Cash flow statement

In accordance with the requirement of Financial Reporting Standard No 1 (Cash flow statements - Revised) the company has not prepared a cash flow statement on the basis that it is a wholly owned subsidiary and hence its cash flows are included in the consolidated cash flow statement of its parent company.

Related party transactions

As the company is a wholly owned subsidiary of Alpha Gamma Limited the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Alpha Gamma Limited, within which this company is included, can be obtained from the address included in note 12.

Investments

Investments are stated at lower of cost and net realisable value at the balance sheet date. The cost of investments where a holding results from a number of purchases at different dates and prices is assigned to the shares and securities and matched to disposals on a FIFO basis.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation

Provision is made for deferred tax liabilities in respect of all material timing differences arising from the different treatment of items for accounting and taxation purposes without discounting.

Deferred tax assets in respect of such differences are recognised to the extent that they are regarded as being, more likely than not, recoverable in the short term, and are not discounted.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

GAMMA LEASING LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 June 2005**

1. Operating profit	2005	2004
	£	£
Operating profit is stated after charging:		
Auditors' remuneration - audit services	<u>1,000</u>	<u>1,000</u>

2. Remuneration of directors and staff costs

The directors received no emoluments during the year. The company did not employ any staff during the year.

3. Interest payable and similar charges	2005	2004
	£	£
Bank overdrafts	<u>13,906</u>	<u>304</u>

4. Tax on profit on ordinary activities**(a) Analysis of charge in period**

Current tax:

UK corporation tax on profits for the year	-	159,957
Tax paid at source	<u>2,167</u>	<u>2,640</u>
Tax on profit on ordinary activities (note 4(b))	<u>2,167</u>	<u>162,597</u>

(b) Factors affecting the tax credit for the period

Profit on ordinary activities before tax	<u>188,029</u>	<u>1,118,871</u>
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Profit for the year multiplied by the standard rate of corporation tax in the UK of 30% (2004 – 30%)

56,409	335,661
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Effects of:

Income not taxable	(9,141)	(5,128)
Utilisation of tax losses surrendered from other group companies	(3,122)	(59,114)
Overseas tax relief	(1,687)	(1,919)
Chargeable gains less than profit on disposal	(4,521)	(4,547)
Movement in carrying value of investments	(37,588)	(104,996)
Marginal relief	(350)	-
Tax paid at source	<u>2,167</u>	<u>2,640</u>
Current tax charge for the period (note 4(a))	<u>2,167</u>	<u>162,597</u>

GAMMA LEASING LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 June 2005**

5. Dividends	2005	2004
	£	£
Ordinary dividend proposed	-	-

6. Investments**Cost**

Listed investments	2,410,358	2,443,871
Unlisted investments	1,005,307	1,151,535
	<u>3,415,665</u>	<u>3,595,406</u>
Write down to net realisable value	(136,347)	(261,640)
	<u>3,279,318</u>	<u>3,333,766</u>

Valuation

Listed investments - market value	<u>3,362,135</u>	<u>3,316,209</u>
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At 30 June 2005, the company had a deferred tax asset of £208,483 (2004 - £28,402) in respect of unrealised losses on investments for which tax relief is not available until the investments are sold. The asset has not been recognised because its realisation is uncertain.

7. Creditors: amounts falling due within one year	2005	2004
	£	£
Bank overdrafts	128,463	281,921
Amounts owed to group undertakings	2,280,077	2,129,886
Corporation tax	-	159,957
Accruals and deferred income	743	-
	<u>2,409,283</u>	<u>2,571,764</u>

8. Called up share capital

Authorised, allotted, called up and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
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9. Profit and loss account

	£
Balance at 1 July 2004	773,964
Profit for the year	185,862
Balance at 30 June 2005	<u>959,826</u>

GAMMA LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2005

10. Reconciliation of movements in shareholders' funds

	2005	2004
	£	£
Profit for the year	185,862	956,274
Opening shareholders' funds	774,064	(182,210)
Closing shareholders' funds	<u>959,926</u>	<u>774,064</u>

11. Contingent liabilities

Guarantees have been provided by Gamma Leasing Limited in respect of the borrowing facilities of certain of the other companies in the group. Of these an amount of £705 was drawn at 30 June 2005 (2004 - £598).

12. Ultimate parent company

The ultimate parent and controlling company is Alpha Gamma Limited a company incorporated and registered in England. Copies of the consolidated accounts of Alpha Gamma Limited are available from its registered office at 56-60 St John Street, London, EC1M 4DT.
