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**FP (PORTFOLIO) NOMINEES LTD
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2005**

DIRECTORS

R.G. ELLIS, MA, APMI, Solicitor
D. MONGER, B Soc Sc (Hons), FCIS
SECRETARY
D. MONGER, B Soc Sc (Hons), FCIS

PRINCIPAL ACTIVITY

The company was a nominee company.

RESULTS AND BUSINESS REVIEW

During the year, the company has not received any income or incurred any liabilities and, consequently, has made neither profit nor loss; it is envisaged that this situation will continue in the future.

DIVIDEND

The directors do not recommend the payment of a dividend for the year ended 31 December 2005 (2004: £Nil).

DIRECTORS

The directors named above held office throughout the year with the exception of R.G. Ellis who was appointed as a director on 26 May 2005. B.W. Sweetland retired as a director on 26 May 2005, having held office throughout the year to this date.

DIRECTORS' INTERESTS

No directors had interests in any other company within the Friends Provident Group other than as disclosed below.

a. Shares

The interests of directors, their spouses and children under the age of eighteen in the shares of companies within the Friends Provident Group are shown in the table below:

	Friends Provident plc ordinary shares 10 pence			F&C Asset Management plc ordinary shares 0.1 pence		
	At 1 January 2005 (i)	At 31 December 2005	Shares acquired after 31 December 2005 (ii)	At 1 January 2005 (i)	At 31 December 2005	Shares acquired after 31 December 2005
R.G. Ellis	4,325	5,185	313	-	-	-
D. Monger	22,593	23,453	5,841	-	-	-

(i) Or date of appointment if later.

(ii) Changes to directors' interests during the period 1 January 2006 to 5 June 2006 include shares acquired through the Share Incentive Plan ("SIP") and options exercised under the Employee Share Option Scheme ("ESOS") 2003.



FP (PORTFOLIO) NOMINEES LTD
REPORT OF THE DIRECTORS (continued)

DIRECTORS' INTERESTS (continued)

b. Options over Friends Provident plc ordinary shares of 10 pence

The directors may participate in two Inland Revenue approved share schemes, the ShareSave Scheme (a savings-related share option scheme) and the Partnership Share element of the SIP (formerly the All-Employee Share Ownership Plan) on the same basis as other eligible UK employees of the Group.

In 2005, the two share incentive schemes, the ESOS and the Executive Long Term Incentive Plan ("LTIP"), have been replaced by a single revised LTIP for all directors and those members of senior management of director status. ESOS for managers below director level has been replaced with an award of deferred shares linked to their annual bonus performance. The directors continue to participate in the former ESOS and LTIP on the same terms as other eligible UK employees of the Group.

The table below provides an analysis of options under each scheme. Further details of the operation of these schemes is contained in the Group Report and Accounts of Friends Provident plc.

	Options at 1 Jan 2005	Granted / (Exercised) during year	Lapsed during year	Options at 31 Dec 2005	Exercise price (pence)	Earliest exercise date	Latest exercise date
R.G. Ellis							
ShareSave 2002	15,358			15,358	107.76	01/10/07	01/04/08
ESOS 2002	28,461			28,461	195.00	14/03/05	14/03/12
ESOS 2003	89,790			89,790	71.00	17/03/06	17/03/13
ESOS 2004	52,256			52,256	127.00	12/08/07	12/08/14
LTIP 2005		46,348		46,348	10.00	29/03/08	29/03/15
Total	185,865	46,348		232,213			
D. Monger							
ShareSave 2002	15,358			15,358	107.76	01/10/07	01/04/08
ESOS 2002	11,187			11,187	195.00	14/03/05	14/03/12
ESOS 2003	39,439			39,439	71.00	17/03/06	17/03/13
ESOS 2004	18,759			18,759	153.00	15/03/07	15/03/14
ESOS 2005		17,556		17,556	178.00	29/03/08	29/03/15
Total	84,743	17,556		102,299			

Pixham End,
Dorking,
Surrey
RH4 1QA

5 June 2006

Registered Number 1777115

ON BEHALF OF THE BOARD



D. MONGER
SECRETARY

FP (PORTFOLIO) NOMINEES LTD
BALANCE SHEET AS AT 31 DECEMBER 2005

	2005	2004
	£	£
Closing Funds	-	-

For the year to 31 December 2005, the company was entitled to exemption from audit under section 249AA(1) of the Companies Act 1985 (the 'Act') and the sole member has not required the company to obtain an audit in accordance with section 249B(2) of the Act in relation to these accounts.

The directors acknowledge their responsibility for:

- i. ensuring the company keeps accounting records which comply with section 221 of the Act; and
- ii. preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226 of the Act, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

Approved by the Board on 5 June 2006 and signed on its behalf by



R.G. ELLIS
DIRECTOR

The notes on page 4 form an integral part of these financial statements

FP (PORTFOLIO) NOMINEES LTD
NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of preparation

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

The company is a wholly owned subsidiary of Friends Provident plc and is included in their consolidated financial statements which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (Revised 1996).

2. DIRECTORS AND EMPLOYEES

All directors are employed by, and receive their emoluments from, Friends Provident Management Services Limited ("FPMS"). The directors holding office during the year consider that their services to the company are incidental to their other duties within the Friends Provident Group and accordingly no remuneration has been apportioned to this company. All staff were employed by FPMS.

3. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary undertaking of FP Financial Management Limited. The results of both the company and FP Financial Management Limited are consolidated in the results of Friends Provident plc, the company's ultimate parent and controlling undertaking, whose financial statements are publicly available. Accordingly, the company is exempt from the requirements of Financial Reporting Standard 8 concerning the disclosure of transactions with other companies which qualify as related parties within the Friends Provident Group.

There were no other material related party transactions.

4. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking is Friends Provident plc which is incorporated in the United Kingdom. Copies of the Group Report and Accounts of Friends Provident plc can be obtained by writing to its Secretary at Pixham End, Dorking, Surrey, RH4 1QA and can be viewed via its website at www.friendsprovident.com