

OLD LAKESIDE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2004

Registered number 2169044



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OLD LAKESIDE LIMITED

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements for the year ended 31 December 2004.

COMPANY PROFIT AND LOSS ACCOUNT

The Company results for the year and the appropriations are shown in the profit and loss account on page 5.

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company ceased trading during 2001. The 2004 transactions reported reflect the winding down of trading activities. The company will become dormant in the coming year.

DIVIDENDS

The Directors do not recommend the payment of a dividend (2003: £nil).

DIRECTORS AND THEIR INTERESTS

The following Directors held office during the year:

A K Rubin

R A Stevens (Resigned 01.01.05)

P J Campbell (Appointed 01.01.05)

The interests of A K Rubin in Pentland Group plc are disclosed in the financial statements of that company. No other Director had any interest in the shares of the Company or any other Group company in the year.

GOING CONCERN

The financial statements have not been prepared on a going concern basis as the Company has ceased trading, which makes the going concern presumption in FRS 18: "Accounting Policies" inappropriate. Therefore, the financial statements have been prepared on a break-up basis, which has not had a material impact on the financial statements. The parent undertaking has indicated its intention to provide continuing support to the company.

OLD LAKESIDE LIMITED

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss for the period to that date. In preparing those financial statements the Directors are required:

- to select suitable accounting policies and then apply them consistently;
- to make judgements and estimates that are reasonable and prudent;
- to state whether applicable accounting standards have been followed, and subject to any material departures disclosed and explained in the financial statements; and
- to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements of the Company comply with the Companies Act 1985. The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

AUDITORS

Under section 249a(1) of the Companies Act 1985 the Company will be entitled to exemption from audit of its financial statements in the coming year and consequently no resolution will be proposed at the annual general meeting for the reappointment of the auditors, PricewaterhouseCoopers LLP.

By Order of the Board



P J Campbell
Secretary
11 March 2005

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OLD LAKESIDE LIMITED

We have audited the financial statements which comprise the profit and loss account, the balance sheet, and the related notes. The financial statements have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This opinion has been prepared for and only for the company's members in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the financial statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion

We conducted our audit in accordance with 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 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.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
11 March 2005

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

	Notes	2004 £	2003 £
Operating profit/(loss)	3	233	(449)
Profit/(loss) on ordinary activities before taxation		<u>233</u>	<u>(449)</u>
Taxation charge	5	-	-
Retained profit/(loss) for the financial year		<u>233</u>	<u>(449)</u>
Accumulated losses brought forward		(2,081,743)	(2,081,294)
Accumulated losses carried forward		<u>(2,801,510)</u>	<u>(2,081,743)</u>

All activities are discontinued.

All recognised gains and losses are included in the profit and loss account. A separate movement of shareholders' deficit statement is not provided as there are no changes for the current or previous year other than the profits/(losses) in the profit and loss account.

The profit for the year on historical cost basis is not materially different from the reported profit for the year.

The notes on pages 7 to 9 form part of these financial statements.

OLD LAKESIDE LIMITED**BALANCE SHEET AS AT 31 DECEMBER 2004**

	Notes	2004 £	2003 £
Current assets			
Debtors	6	-	679
		<hr/>	<hr/>
		-	679
Current liabilities			
Creditors – amounts falling due within one year	7	(2,080,510)	(2,081,422)
		<hr/>	<hr/>
Net liabilities		(2,080,510)	(2,080,743)
		<hr/>	<hr/>
Capital and reserves			
Called up equity share capital	9	1,000	1,000
Profit and loss account	10	(2,081,510)	(2,081,743)
		<hr/>	<hr/>
Equity shareholders' deficit		(2,080,510)	(2,080,743)
		<hr/>	<hr/>

Approved by the Board on 11 March 2005

On behalf of the Board



A K Rubin

DIRECTOR

The notes on pages 7 to 9 form part of these financial statements.

1 ACCOUNTING POLICIES

Basis of preparation The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards.

Going concern As stated in the Director's Report, the financial statements have been prepared on a break-up basis.

Accounting for Deferred Tax Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date if transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exceptions:

- provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only if, at the balance sheet date, there is a commitment to dispose of the replacement assets
- provision is made for deferred tax that would rise on remittance of net earnings of overseas subsidiaries, associates and joint ventures only to the extent that the balance sheet date dividends have been accrued as receivable
- deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The deferred tax for a period and any adjustments in respect of previous periods are recognised in the profit and loss account. Tax arising on gains and losses that have been recognised in the statement of total recognised gains and losses are recognised in that statement.

2 STATEMENT OF CASH FLOWS

Pentland Group plc, of which the company is a wholly owned subsidiary, has presented in its consolidated accounts a group cash flow statement drawn up under the provisions of Financial Reporting Standard 1: Cash Flow Statements (FRS 1 Revised 1996). Accordingly the company has taken advantage of the exemption available under FRS 1 to dispense with presenting its own cash flow statement.

3 OPERATING PROFIT/LOSS

	2004 £	2003 £
Other operating (income)/charges	(233)	449
Operating profit/(loss)	<u>233</u>	<u>(449)</u>

Auditors' remuneration for the year has been borne by a fellow subsidiary undertaking.

OLD LAKESIDE LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004 (continued)****4 DIRECTORS AND EMPLOYEES**

The directors, who were the only employees of the company, did not receive any emoluments in respect of their services to the company during the year (2003: £nil).

5 TAXATION

The nil current tax charge reconciles with the charge calculated using the standard rate of UK corporation tax as follows:

	2004 £	2003 £
Profit/(loss) on ordinary activities before taxation	233	(449)
	<hr/>	<hr/>
Corporation tax charge/(credit) at UK statutory rates	70	(135)
Effect on tax charge of:		
Permanent differences		135
Other timing differences	(70)	
	<hr/>	<hr/>
Current tax charge	-	-
	<hr/>	<hr/>

6 DEBTORS

	2004 £	2003 £
Amounts due from fellow subsidiary undertakings	-	679
	<hr/>	<hr/>

7 CREDITORS – amounts falling due within one year

	2004 £	2003 £
Bank overdraft	-	234
Amounts due to fellow subsidiary undertakings	2,080,510	2,081,188
	<hr/>	<hr/>
	2,080,510	2,081,422
	<hr/>	<hr/>

8 DEFERRED TAXATION

There is no unprovided deferred tax for the year under review or prior year.

OLD LAKESIDE LIMITED**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004 (continued)****9 SHARE CAPITAL**

	2004 £	2003 £
Authorised, allotted, issued and fully paid		
1,000 ordinary shares of £1 each	1,000	1,000

10 RESERVES

	Profit and Loss account £	Total £
At 1 January 2004	(2,081,743)	(2,081,743)
Profit for the year	233	233
At 31 December 2004	(2,081,510)	(2,081,510)

11 RELATED PARTIES

Pentland Group plc, of which the company is a wholly owned subsidiary, has presented in its consolidated accounts, which are publicly available, a related parties disclosure note under the provisions of Financial Reporting Standard 8: Related Party Disclosures (FRS 8). Accordingly, the company has taken advantage of the exemption available under FRS 8 to dispense with disclosing related party transactions with entities within the group, or investees of the group, qualifying as related parties.

12 PARENT UNDERTAKINGS

The parent undertaking is Pentland Group plc, a company registered in England. Consolidated accounts have been prepared by Pentland Group plc for the year ended 31 December 2004 and these can be obtained from the company's registered office at 8 Manchester Square, London W1U 3PH.