

**NOVAR PENSION TRUSTEES LIMITED**  
(Registered Number 2443830)

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**31 DECEMBER 2004**



NOVAR PENSION TRUSTEES LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS

The Directors present their annual report together with the unaudited financial statements for the year ended 31 December 2004.

PRINCIPAL ACTIVITY

The Company has not traded during the year.

DIRECTORS AND DIRECTORS' INTERESTS

The composition of the Board of Directors during the year, and to the date of this report, was as follows:

Capital Cranfield Trustees Limited

S D Chileshe	(Appointed 27 May 2004, resigned 21 June 2005)
W T J Das	(Appointed 27 May 2004, resigned 24 May 2005)
G K Dougall	(Resigned 24 May 2005)
A E Holland	(Resigned 15 April 2004)
B G Kirkdale	
R A Shord	

None of the directors held any beneficial interests in shares in the Company during the year.

The interests of the directors in the issued Ordinary shares of Novar plc, the ultimate parent undertaking, are as follows:

	31 December 2004		1 January 2004 or date of appointment	
	Ordinary Shares <u>Number</u>	Options over Ordinary Shares <u>Number</u>	Ordinary Shares <u>Number</u>	Options over Ordinary Shares <u>Number</u>
S D Chileshe	-	3,615	-	3,615
W T J Das	-	183,932	-	183,932
G K Dougall	20,835	1,038,045	23,805	929,089
B G Kirkdale	1,601	9,665	181	9,444
R A Shord	25,581	-	25,581	1,096,703

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None of the Directors had any interests in the "B" shares of Novar plc.

The following options over Ordinary shares of Novar plc were granted to the directors during the year.

<u>Director</u>	<u>Options Granted</u> (Number of shares)
G Dougall	136,413
B G Kirkdale	1,641

Mr B G Kirkdale and Mr R A Shord exercised options over 1,420 and 281,010 shares respectively during the year. Options over 5,059 and 815,693 shares held by Mr G K Dougall and Mr R A Shord respectively lapsed during the year.

The options reported above have been granted under the rules of Novar plc's Savings Related and Executive Share Option Schemes. The options are exercisable at prices between 84.8p and 256p. The market price of Novar plc Ordinary shares at 31 December 2004 was 118.25p and the range during the year was 114.25p and 189p. Full details of the individual directors' shareholdings and share options are contained in the company's register of directors' interests.

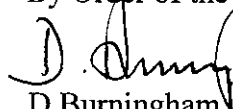
During the year Mr G K Dougall held a conditional right to acquire 29,947 Ordinary shares of Novar plc for nil consideration under that Company's Performance Partnership Plan (the "Plan"). This lapsed on 25 February 2004. He also held a conditional right to acquire 12,160 Ordinary shares of Novar plc which will become exercisable in March 2006, and was granted a further conditional right during the year to acquire 22,398 Ordinary shares of Novar plc which will become exercisable in March 2007. Both of these are subject to the achievement of targets related to the earnings per share performance of Novar plc. Mr R A Shord held conditional rights to acquire 9,210 Ordinary shares of Novar plc for nil consideration under the Plan. This lapsed on 25 February 2004.

No Director was or is interested in any transaction, arrangement or agreement with the Company which was material during or at the end of the year.

AUDITORS

The Company is exempt by Section 250 of the Companies Act 1985 from appointing Auditors as otherwise required by Section 384 of the Act.

By Order of the Board

  
D Burningham  
Secretary

21 June 2005


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BALANCE SHEET AS AT 31 DECEMBER 2004

	Note	31 December 2004	31 December 2003
		£	£
CURRENT ASSETS			
Amount due from holding company		<u>2</u>	<u>2</u>
CAPITAL AND RESERVES			
Called up share capital	4	<u>2</u>	<u>2</u>

- (a) For the year ended 31 December 2004 the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985.
- (b) Members have not required the Company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.
- (c) The directors acknowledge their responsibility for:
- (i) ensuring the Company keeps accounting records which comply with section 221; 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, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

These financial statements were approved by the Board of Directors on 21 June 2005 and signed on their behalf by:



R A Shord  
Director

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NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

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

2 COMPANY'S ACTIVITIES

During the year the Company has not traded, has not incurred any liabilities and consequently, has made neither profit nor loss.

The legal title of the Novar Pension Scheme's investments and cash is in the name of the Company. The Company holds these assets as trustee for the pension scheme and obtains no benefit from the assets.

3 DIRECTORS

None of the Directors received any emoluments in respect of their services to the Company.

4 SHARE CAPITAL

	<u>31 December 2004</u>	<u>31 December 2003</u>
	£	£
Authorised		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, issued and fully paid:		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

5 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking is Novar plc, a company incorporated in Great Britain and registered in England. The Novar Group is the largest and smallest group of which the Company is a member and for which group financial statements are prepared. Copies of these group financial statements can be obtained from The Secretary, Novar plc, Novar House, 24 Queens Road, Weybridge, Surrey KT13 9UX.