CAVEMINSTER LIMITED

28 October 2006

Member of Lloyds TSB Group

CAVEMINSTER LIMITED

25 Gresham Street London EC2V 7HN

DIRECTORS

A J Cumming
P Higgins
A B Vowles (Alternate A M Basing)
T J Cooke
J M Herbert

SECRETARY

S Slattery

AUDITORS

PricewaterhouseCoopers LLP

REGISTERED OFFICE

25 Gresham Street
London EC2V 7HN

REGISTERED NUMBER

2569981

REPORT OF THE DIRECTORS

REVIEW OF BUSINESS

During the year, the principal activity of the company was property investment, this is expected to continue for the foreseeable future The company does not currently hold any property investment The directors consider the results for this year to be satisfactory

The results of the company show a pre-tax profit of £380,000 (2005 £393,000) for the year as set out in the income statement on page 5

The company has shareholders' equity of £8,764,000 (2005 £8,748,000)

FUTURE OUTLOOK

The company will continue to look for appropriate investment opportunities

DIRECTORS

The names of the directors of the company are shown on page 1 The following changes in directors have taken place during the year and since the year end

	Appointed	Resigned/Ceased to be a director
R F Pelly	17 November 2005	24 April 2007
M W Joseph		15 November 2006
T J Cooke	18 June 2007	
J M Herbert	18 June 2007	
A R Foad		31 October 2005

RESPONSIBILITIES OF DIRECTORS

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 as at the end of the year and of the profit or loss of the company for that year 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on a 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 which 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

AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each director in office at the date the directors' report is approved

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

PRINCIPAL RISKS AND UNCERTAINTIES

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately For further details please refer to note '1 (f) - Financial risk management' in these financial statements

REPORT OF THE DIRECTORS

KEY PERFORMANCE INDICATORS ('KPIs')

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

The company follows "The Better Payment Practice Code" published by the Department of Trade and Industry, regarding the making of payments to suppliers A copy of the code and information about it may be obtained from The DTI Publications Orderline 0870-1502500 (quoting ref URN 04/606)

The company's policy is to agree terms of payment with suppliers and these normally provide for settlement within 30 days after the date of the invoice, except where other arrangements have been negotiated It is the policy of the company to abide by the agreed terms of payment, provided the supplier performs according to the terms of the contract

As the company owed no amounts to trade creditors at 28 October 2006, the number of days required to be shown in this report, to comply with the provisions of the Companies Act 1985, is nil

On behalf of the board

S Slattery

S Slattery
Secretary

9th July 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAVEMINSTER LIMITED

We have audited the financial statements of Caveminster Limited for the year ended 28 October 2006 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement and the related notes These financial statements have been prepared under the accounting policies set out therein

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 International Standards on Auditing (UK and Ireland) This report, including the opinion, has been prepared for and only for the company's members as a body 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 into 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 whether the financial statements have been properly prepared in accordance with the Companies Act 1985 We also report to you if, in our opinion, the Director's Report is not consistent with the finanial 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 28 October 2006 and of its profit and cash flows for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors

The Quay
30 Channel Way
Ocean Village
Southampton
SO14 3QG

13 th July 2007

INCOME STATEMENT
For the year ended 28 October 2006

	Note	2006 £000	2005 £000
Interest income	2	380	393
Profit before tax	3	380	393
Taxation	4	(114)	(118)
Profit for the year		266	275

The accompanying notes are an integral part of the Financial Statements

BALANCE SHEET
As at 28 October 2006

		2006		2005	
	Note	£000	£000	£000	£000
Assets					
Current assets					
Amounts owed by group companies	6	8,457		8,405	
Deferred tax asset	8	366		405	
Other debtors		2	8,825	-	8,810
Total assets			8,825		8,810
Liabilities					
Current liabilities					
Amounts owed to group companies	7		61		62
Total liabilities			61		62
Equity					
Share capital	9	8,375		8,375	
Retained earnings	10	389	8,764	373	8,748
Total liabilities and equity			8,825		8,810

The directors approved the accounts on 9th July 2007

P Higgins
Director

The accompanying notes are an integral part of the Financial Statements

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Share capital and premium £000	Retained profits £000	Total £000
Balance at 29 October 2004	9	8,375	323	8,698
Profit for the year		-	275	275
		8,375	598	8,973
Dividend paid	5	-	(225)	(225)
Balance at 28 October 2005	9	8,375	373	8,748
Profit for the year		-	266	266
		8,375	639	9,014
Dividend paid	5	-	(250)	(250)
Balance at 28 October 2006		8,375	389	8,764

The accompanying notes are an integral part of the Financial Statements

CASHFLOW STATEMENT
For the year ended 28 October 2006

	Note	2006 £000	2005 £000
Net cash flow from operating activities	11	321	(72)
Financing activities			
Dividends paid	5	(250)	(225)
Net cash used in financing activities		(250)	(225)
Net increase/(decrease) in cash and cash equivalents		71	(297)
Cash and cash equivalents at the beginning of the year		(20)	277
Cash and cash equivalents at the end of the year	6	51	(20)

The accompanying notes are an integral part of the Financial Statements

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below

The Company's ultimate parent company, Lloyds TSB Group plc, adopted International Financial Reporting Standards ('IFRS') in its financial statements for the year ended 31 December 2005 In accordance with the Companies Act 1985, the Company has also adopted IFRS in the preparation of these financial statements for the year ended 28 October 2006

The financial information has been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets at fair value through profit or loss and all derivative contracts, on the basis of IFRS

There are no critical areas which require disclosure where management have exercised judgement in applying the company's accounting policies or in determining accounting estimates

Further details of the implementation of IFRS for the company are given in note 13

(a) Impairment
At each balance sheet date the company assesses whether, as a result of one or more events occurring after initial recognition, there is objective evidence that a financial asset or group of financial assets has become impaired

If there is objective evidence that an impairment loss has been incurred, a provision is established which is calculated as the difference between the balance sheet carrying value of the asset and the present value of the estimated future cash flows discounted at the asset implicit rate in the lease

(b) Taxation
Current income tax which is payable on taxable profits is recognised as an expense in the period in which the profits arise

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss Deferred tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised Income tax payable on profits is recognised as an expense in the period in which those profits arise The tax effects of losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised

(c) Dividends

Dividends on ordinary shares are recognised in equity in the period in which they are paid

(d) Cash and cash equivalents
Cash and cash equivalents comprises cash on hand, bank overdrafts and demand deposits as well as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value See notes 6 and 7

(e) Derivative financial instruments
The company did not hold any derivative financial instruments during the accounting period

(f) Financial risk management
The company is exposed through its operations to a variety of financial risks that include credit risk and interest rate risk Risk management is performed by various Committees established by its ultimate parent, Lloyds TSB Group plc for the management of these risks

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies (continued)

2 Interest income

Interest income represents the income received in respect of the company's interest bearing deposit

3 Profit before tax

Audit fees for the company are borne by the immediate parent company, the audit fee attributed to this company for the year was £3,600 The company has no employees and the directors received no remuneration in respect of their services to the company

4 Taxation

	2006	2005
	£000	£000
(a) The charge for the year comprises		
Group relief receivable on current taxation loss for the year	75	79
Total group relief payable for year	75	79
Deferred taxation (Note 8)	39	39
	114	118

The taxation credit did not differ from the standard rate of corporation tax in the UK (30%)

5 Dividends

	2006	2005
The dividends paid in the year were as follows	£000	£000
Dividend paid in respect of the preceeding year	250	225

A dividend of £250,000 was paid in respect of the year ended 28 October 2005 in June 2006 There will be no dividend paid in respect of the year ended 28 October 2006

6 Amounts owed by group companies

	2006	2005
	£000	£000
Amounts falling due within one year		
Bank deposit	51	-
Amounts due from fellow subsidiary undertakings	8,400	8,400
Interest receivable	6	5
	8,457	8,405

For further details please refer to note 12

NOTES TO THE FINANCIAL STATEMENTS

7 Amounts owed to group companies

	2006 £000	2005 £000
Amounts falling due within one year		
Group relief	61	42
Bank overdraft	-	20
	61	62

For further details please refer to note 12

8 Deferred tax

The following are the major deferred tax assets recognised by the company and movements thereon during the current and the prior period

	2006 £000	2005 £000
At 29 October	405	444
Charge for the year	(39)	(39)
At 28 October	366	405

The deferred tax charge in the income statement comprises the following temporary differences

	2006 £000	2005 £000
Accelerated tax depreciation	(39)	(39)

Deferred tax assets comprised as follows

	2006 £000	2005 £000
Deferred tax asset		
Excess future tax depreciation	366	405

9 Share capital

	2006 £000	2005 £000
Authorised		
Ordinary shares of £1 each	10,000	10,000
Allotted and issued fully paid		
Ordinary shares of £1 each	8,375	8,375

The company regarded by the directors as the ultimate parent company is Lloyds TSB Group plc, which is also the parent company of the largest group of companies for which group accounts are drawn up and of which the company is a member Lloyds TSB Bank plc is the parent company of the smallest such group of companies Copies of the group accounts of both may be obtained from the company secretary's office, Lloyds TSB Group plc, 25 Gresham Street, London EC2V 7HN

The immediate parent company is St Marys Court Investments

10 Retained earnings

	2006 £000	2005 £000
At 29 October	373	323
Profit for the year	266	275
Dividend paid (note 5)	(250)	(225)
At 28 October	389	373

11 Notes to the cash flow statement

	2006 £000	2005 £000
Profit from operations	380	393
Operating cash flows before movements in working capital	380	393
(Increase)/decrease in receivables	(3)	(400)
Cash generated by operations	377	(7)
Group relief paid	(56)	(65)
Net cash flow from operating activities	321	(72)

12 Related party transactions

In respect of related party transactions, the outstanding balances receivable / (payable) as at 28 October were as follows

Nature of transaction	**Related party**	2006 £000	2005 £000
Due from fellow subsidiary undertaking	Intermediate parent undertaking	8,400	8,400
Group relief payable	Intermediate parent undertaking	(61)	(42)
Bank deposits	Intermediate parent undertaking	51	-
Bank overdraft	Intermediate parent undertaking	-	(20)
Interest receivable	Intermediate parent undertaking	6	5

The bank deposits and bank overdrafts are non-interest bearing and are repayable on demand

The company paid group relief of £56,000 (2005 £65,000) during the year from Lloyds TSB Bank plc

13 Adoption of International Financial Reporting Standards

This is the first year that the company has presented its financial statements under IFRS IFRS differs in certain respects from the Company's previous accounting policies, which complied with UK Generally Accepted Accounting Principles ('UK GAAP') Set out below are explanations and reconciliations showing the effect of adoption of IFRS

NOTES TO THE FINANCIAL STATEMENTS

13 Adoption of International Financial Reporting Standards (continued)

Accounting changes effective from 29 October 2004 and which impact 2005 comparatives

(a) Leasing (IAS 17)

IFRS requires income from finance leases to be credited to the income statement to give a constant pre-tax rate of return on the net investment in the lease, UK GAAP required a constant post-tax rate of return on the net cash investment in the lease In addition, IFRS requires depreciation on operating lease assets to be charged on the same basis as for other tangible fixed assets, which for the company is a straight-line basis Under UK GAAP depreciation was charged so as to give a constant rate of return on the leased assets

(b) Dividends (IAS 10)

Under IFRS equity dividends declared after balance sheet date may not be included as a liability at the balance sheet date

(c) Deferred tax (IAS 12)

The change in the deferred tax liability is a direct result of the change in net book value of leased assets

The following disclosures are required at the date of transition being 29 October 2004

Restated Company balance sheet (reconciliation of equity) at 29 October 2004

	UK GAAP £000	IAS17 £000	Dividends £000	IAS12 £000	IFRS £000
Amounts owed by group companies	8,282	-	-	-	8,282
Other debtors	1	-	-	-	1
Deferred taxation	444	-	-	-	444
Total assets	8,727	-	-	-	8,727
Amounts owed to group companies	(254)	-	225	-	(29)
Total liabilities	(254)	-	225	-	(29)
Total assets and liabilities	8,473	-	225	-	8,698
Issued capital	8,375	-	-	-	8,375
Retained earnings	98	-	225	-	323
Total equity	8,473	-	225	-	8,698

NOTES TO THE FINANCIAL STATEMENTS

13 Adoption of International Financial Reporting Standards (continued)

The last financial statements were for the year ended 28 October 2005 The impact of restating these financial statements for IFRS is as follows

Restated Company income statement (reconciliation of profit) for the year ended 28 October 2005

	UK GAAP £000	IAS17 £000	Dividends £000	IAS12 £000	IFRS £000
Interest income	393	-	-	-	393
Profit before tax	393	-	-	-	393
Taxation	(118)	-	-	-	(118)
Profit after tax	275	-	-	-	275

Restated Company balance sheet (reconciliation of equity) at 28 October 2005

	UK GAAP £000	IAS17 £000	Dividends £000	IAS12 £000	IFRS £000
Amounts owed by group companies	8,405	-	-	-	8,405
Deferred taxation	405	-	-	-	405
Total assets	8,810	-	-	-	8,810
Amounts owed to group companies	(312)	-	250	-	(62)
Total liabilities	(312)	-	250	-	(62)
Total assets and liabilities	8,498	-	250	-	8,748
Issued capital	8,375	-	-	-	8,375
Retained earnings	123	-	250	-	373
Total equity	8,498	-	250	-	8,748

There was no impact of IAS 32/39 as at 29 October 2005