

**MORLEY LIMITED**

**Report and Financial Statements**

**Year ended 31 October 2004**



# MORLEY LIMITED

## REPORT AND FINANCIAL STATEMENTS YEAR ENDED 31 OCTOBER 2004

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# **MORLEY LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2004**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

K W Maynard  
G P Crawford

#### **SECRETARY**

J D Randall

#### **REGISTERED OFFICE**

10 Kings Hill Avenue  
Kings Hill  
West Malling  
Kent  
ME19 4LT

#### **BANKERS**

Barclays Bank PLC  
54 Lombard Street  
London EC3V 9EX

#### **SOLICITORS**

Clifford Chance  
10 Upper Bank Street  
London E14 5JJ

#### **AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants  
London

# MORLEY LIMITED

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 October 2004.

### ACTIVITIES

The principal activity of the Company during the period was to act as trustee of a portfolio of unsecured loans and of all payments received on those loans. The Company did not trade during the period.

### RESULTS AND DIVIDENDS

The results for the period are shown in the profit and loss account on page 5. The directors do not recommend the payment of a dividend (2003 - £nil).

The directors expect the level of business activity within the group to remain constant throughout the coming year.

### DIRECTORS AND THEIR INTERESTS

The directors who held office during the period were as follows:

K W Maynard

G P Crawford

CS SCF Management Limited (resigned 22 January 2004)

The interests in the group held by directors during the year relate to Cabot Financial Holdings Group Limited and are disclosed in that Company's financial statements.

### SUPPLIER PAYMENT POLICY

It is the Company's policy to abide by the terms of payment agreed with suppliers.

### AUDITORS

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



G P Crawford

Director

11 January 2005

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 financial year 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;
- state whether applicable accounting standards have been followed; and
- 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 the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MORLEY LIMITED

We have audited the financial statements of Morley Limited for the year ended 31 October 2004 which comprise the profit and loss account, the balance sheet and the related notes 1 to 6. These financial statements have been prepared 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 auditors' 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 audit work, for this report, or for the opinion 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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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.

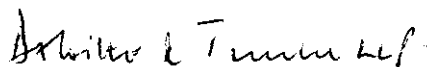
### Basis of audit opinion

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 circumstances of the Company, 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 as at 31 October 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



DELOITTE & TOUCHE LLP

Chartered Accountants and Registered Auditors

London

11 January 2005

# MORLEY LIMITED

## PROFIT AND LOSS ACCOUNT Year ended 31 October 2004

	Note	Year ended 31 October 2004 £	Year ended 31 October 2003 £
Other operating income		-	-
Administrative expenses		-	-
<b>OPERATING PROFIT</b>	2	-	-
Interest receivable and similar income		-	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		-	-
Tax on ordinary activities	4	-	-
<b>PROFIT FOR THE YEAR AFTER TAXATION</b>		-	-

The company did not trade during the year. There have been no recognised gains and losses attributable to the shareholders other than the result for the current year and preceding financial period and accordingly, no statement of total recognised gains and losses is shown.

The accompanying notes are an integral part of this profit and loss account.

# MORLEY LIMITED

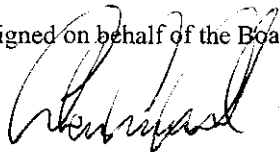
## BALANCE SHEET As at 31 October 2004

	Note	31 October 2004 £	31 October 2003 £
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		2	2
		<u>2</u>	<u>2</u>
<b>NET CURRENT ASSETS</b>		<u>2</u>	<u>2</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	5	2	2
Profit and loss account		-	-
		<u>2</u>	<u>2</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>2</u>	<u>2</u>

The accompanying notes are an integral part of this balance sheet.

These financial statements were approved by the Board of Directors on 11 January 2005.

Signed on behalf of the Board of Directors



G P Crawford

Director



**NOTES TO THE ACCOUNTS**  
**Year ended 31 October 2004**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Cash flow statement**

Under the provisions of FRS 1 (Revised) "Cash Flow Statements", the Company has not provided a cash flow statement. This is because the Company is a wholly owned subsidiary of Cabot Financial Holdings Group Limited which prepares such a statement.

**Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

**2. OPERATING PROFIT**

Operating profit is stated after charging:

	Year ended 31 October 2004 £	Year ended 31 October 2003 £
Auditors' remuneration – audit services	-	-

The auditors' remuneration is being borne by the Company's parent undertaking.

**3. STAFF COSTS AND DIRECTORS' REMUNERATION**

There were no employees of the Company during the year ended 31 October 2004 (2003 - nil). The directors received no remuneration during the year (2003 - £nil).

**4. TAX ON ORDINARY ACTIVITIES**

No tax was charged for the year ended 31 October 2004 (2003 - £nil).

**5. CALLED UP SHARE CAPITAL**

	31 October 2004 £	31 October 2003 £
<b>Authorised:</b>		
100 ordinary shares of £1 each	100	100
<b>Allotted, called up and fully paid:</b>		
2 ordinary shares of £1 each	2	2

**NOTES TO THE ACCOUNTS**

**Year ended 31 October 2004**

**6. ULTIMATE PARENT COMPANY AND RELATED PARTY TRANSACTIONS**

On 22 January 2004, CS Structured Credit Fund Limited, the company's previous ultimate parent undertaking, sold its interest in the group to Cabot Financial Holdings Group Limited, a company newly incorporated in the United Kingdom. Cabot Financials Holdings Group Limited is owned by a number of different entities, none of which own a controlling interest and therefore the company's ultimate parent undertaking is now Cabot Financial Holdings Group Limited.

Morley Limited is a wholly owned subsidiary of Cabot Financial Holdings Group Limited and its results are included in the consolidated financial statements of that company. Morley Limited is consolidated in Cabot Financial Holdings Limited (smallest group) and Cabot Financial Holdings Group Limited (largest group). Consequently, the Company has taken advantage of the exemption under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Cabot Financial Holdings Group Limited group for the year ended 31 October 2004. The financial statements of Cabot Financial Holdings Group Limited group are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.