

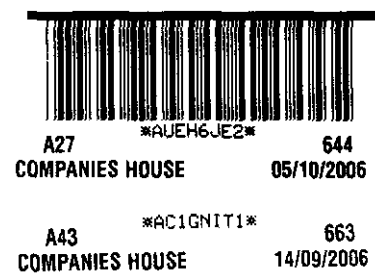
Company Registration No. [04510602]

PRECIS (2283) LIMITED

Report and Group Financial Statements

For the Period from 1 January 2005 to 31 August 2005

**Ernst & Young LLP
London**



PRECIS (2283) LIMITED

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DIRECTORS' REPORT

The directors present the report and the audited consolidated financial statements for the period ended 31 August 2005.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The group's principal activity during the period was to provide financing to external parties. The group's results for the period ended 31 August 2005 are considered satisfactory by the directors. The directors consider the business to be terminated upon repayment of the relevant financing as a result of the sale of the underlying assets by external parties.

RESULTS AND DIVIDENDS

The consolidated profit for the period ended 31 August 2005, after taxation, amounted to £12,893 (year to 31 December 2004: loss of £7,089).

The directors do not recommend the payment of a dividend.

It is the intention of the management to wind up the company in the next 12 months, therefore the balance sheets as at 31 August 2005 have been prepared on the break-up basis.

DIRECTORS AND THEIR INTERESTS

The directors for the period ended 31 August 2005 were as follows:

Rodney Simon Hodges
Paul Edward Sewell

No director had any interest in the share capital of the Company at any time during the period from 1 January to 31 August 2005. As far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware. The directors have taken all necessary steps, in their capacity as directors, to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

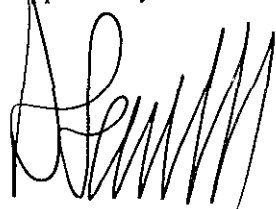
CHARITABLE CONTRIBUTIONS

During the period the company made a charitable donation of £1,000 to the Precis Charitable Trust in accordance with the Settlement.

AUDITORS

A resolution to re-appoint Ernst & Young LLP as auditors will be put to the members at the forthcoming Annual General Meeting. So far as the directors were aware, there is no relevant audit information of which the group's auditors are unaware. The directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

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



Director

Date: 2 MARCH 2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period 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 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 AUDITOR'S REPORT TO THE SHAREHOLDERS OF PRECIS (2283) LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Precis (2283) for the period from 1 January 2005 to 31 August 2005 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement, and the related notes 1 to 16. 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 opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as 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).

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 other transactions is not disclosed.

We read other information contained in the Directors Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

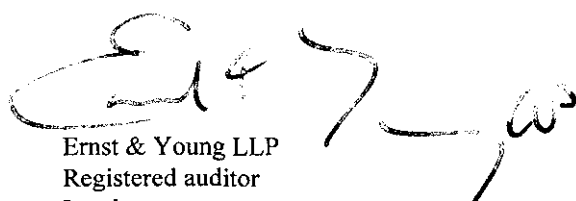
Basis of audit opinion

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 group's and 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 United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 August 2005 and of the group's profits for the year then ended; and the financial statements have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered auditor
London
2 March 2006

PRECIS (2283) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT Period from 1 January 2005 to 31 August 2005

		Period from 1 January 2005 to 31 August 2005 £	Year Ended 31 December 2004 £
	Note		
Administrative expenses		(19,302)	(50,882)
OPERATING LOSS	2	(19,302)	(50,882)
Interest receivable and similar income	4	7,482,603	24,065,461
Interest payable and similar charges	5	(7,447,148)	(24,018,431)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		16,153	(3,852)
Tax on profit / (loss) on ordinary activities	6	(3,260)	(3,237)
RETAINED PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE PERIOD / YEAR	13	12,893	(7,089)

All income and expenditure in the current period relates to discontinuing activities.

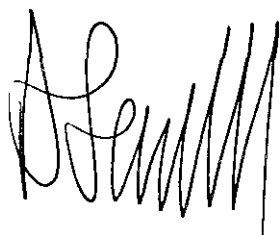
There were no recognised gains or losses other than the profit for the period; accordingly, no separate statement of total recognised gains and losses has been presented.

PRECIS (2283) LIMITED**CONSOLIDATED BALANCE SHEET****At 31 August 2005**

	Note	31 August 2005 £	31 December 2004 £
CURRENT ASSETS			
Debtors:	9		
Falling due within one year		346,449	133,124,949
Falling due after more than one year		-	149,615,776
Cash at bank and in hand		1,196,981	137,552,278
		<u>1,543,430</u>	<u>420,293,003</u>
CREDITORS: amounts falling due within one year	10	<u>(1,516,533)</u>	<u>(262,982,730)</u>
NET CURRENT ASSETS		<u>26,897</u>	<u>157,310,273</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		26,897	157,310,273
CREDITORS: amounts falling due after more than one year	11	-	(157,296,269)
		<u>26,897</u>	<u>14,004</u>
NET ASSETS		<u>26,897</u>	<u>14,004</u>
CAPITAL AND RESERVES			
Called up share capital	12	2	2
Profit and loss account	13	26,895	14,002
SHAREHOLDERS' FUNDS	13	<u>26,897</u>	<u>14,004</u>

These financial statements were approved by the Board of Directors on
signed on behalf of the Board of Directors:

2 MARCH 2006, and



Director

PRECIS (2283) LIMITED

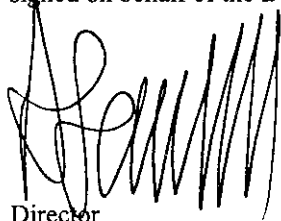
BALANCE SHEET At 31 August 2005

		31 August 2005 £	Restated 31 December 2004 £
	Note		
FIXED ASSETS			
Investment in subsidiary undertaking	8	31,060	19,282
CURRENT ASSETS			
Debtors	9	694	2
CREDITORS: amounts falling due within one year	10	(4,857)	(5,281)
NET CURRENT ASSETS		(4,163)	(5,279)
TOTAL ASSETS LESS CURRENT LIABILITIES		26,897	14,003
NET ASSETS		26,897	14,003
CAPITAL AND RESERVES			
Called up share capital	12	2	2
Revaluation reserve	13	31,058	19,280
Profit and loss account	13	(4,163)	(5,279)
SHAREHOLDERS' FUNDS	13	26,897	14,003

These financial statements were approved by the Board of Directors on
signed on behalf of the Board of Directors:

2 MARCH

2006 and



Director

PRECIS (2283) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

Period from 1 January 2005 to 31 August 2005

		Period from 1 January 2005 to 31 August 2005 £	Year Ended 31 December 2004 £
	Note		
Net cash (outflow) / inflow from operating activities	14 (a)	(177,865)	961,199
Corporation tax paid		-	(4,414)
Returns on investments and servicing of finance			
Interest received		11,642,522	25,238,139
Interest paid		(10,872,357)	(17,408,125)
Other finance costs paid		-	(6,854,648)
		<u>770,165</u>	<u>975,366</u>
Net cash inflow before financing		592,300	1,932,151
Financing			
Repayment of loans		(278,816,581)	(5,665,070)
Discount bonds issued		-	1,656,923
Discount bonds repaid		(7,444,216)	(31,873,943)
Receipts / (refunds) from / (to) external parties		(129,267,105)	129,307,758
Financing provided to external parties		-	(6,676,954)
Repayment of financing by external parties		<u>278,580,305</u>	<u>32,312,784</u>
		(136,947,597)	119,061,498
(Decrease) / Increase in cash in the period / year	14(b)	<u>(136,355,297)</u>	<u>120,993,649</u>

PRECIS (2283) LIMITED

NOTES TO THE ACCOUNTS

Period from 1 January 2005 to 31 August 2005

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with the applicable accounting standards in the United Kingdom (UK GAAP).

Fundamental accounting concept

The financial statements have been prepared on a break-up basis reflecting the intention to wind up the Company in the next 12 months. Accordingly, adjustments have been made to reduce the carrying value of assets to their estimated realisable amount, to provide for any further liabilities which will arise, and to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Basis of consolidation

The group financial statements consolidate the financial statements of Precis (2283) Limited and its subsidiary undertaking, Precis (2284) Limited. All intercompany accounts and transactions have been eliminated. No profit and loss account is presented for Precis (2283) Limited as permitted by section 230 of the Companies Act 1985. Precis (2284) has been included in the group financial statements using the acquisition method of accounting.

Financing costs

Finance costs which are directly attributable to the raising of finance are capitalised and amortised over the period of the loan. Financial instruments are stated net of un-amortised finance costs, in accordance with FRS 4.

Financial instruments

The Company's bank debt is subject to a variable interest rate, which has been exchanged for a fixed interest rate under an interest rate exchange agreement. The instrument has been accounted for as a hedge of the debt, and the cost has been spread over the life of the underlying debt. The interest payable on the debt is shown inclusive of any payment or receipt in respect of the interest rate exchange.

Deferred taxation

Deferred tax is provided in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

- 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 an undiscounted 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.

PRECIS (2283) LIMITED

NOTES TO THE ACCOUNTS

Period from 1 January 2005 to 31 August 2005

Change in accounting policy

During the period ended 31 August 2005, the directors adopted FRS21 "Events after the balance sheet date" and therefore did not recognise the dividend declared after the balance sheet date because it did not meet the criteria of liability at the balance sheet date. Previously the dividend was charged to the profit and loss account if it was declared by the directors. The effect of this change in the accounting policy for the current period is as follows:

	£
Retained profit brought forward as previously reported	881
Reversal of unpaid dividend for 2003 and 2004	(6,160)
	<hr/>
Restated retained profit brought forward at 1 January 2005	(5,279)
	<hr/>
Profit for the financial period	1,116
	<hr/>
Retained profit at 31 August 2005	(4,163)
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This change in the accounting policy did not affect the profit recognised in the period ended 31 August 2005.

During the period ended 31 August 2005, the directors changed the accounting policy regarding valuation of the investments and accounted for the investment in the subsidiary based on the company's share of the net assets of that subsidiary. Previously the investment in the subsidiary was recognised at cost. Movements in the company's share of net assets are taken to the revaluation reserve. In the opinion of the directors the new accounting policy is more appropriate for understanding the company's net assets position. The effect of this change in the accounting policy for the current period is as follows:

	£
Revaluation reserve brought forward as previously reported	-
Revaluation of the investment in the subsidiary for 2004	19,280
	<hr/>
Restated revaluation reserve brought forward at 1 January 2005	19,280
	<hr/>
Revaluation of the investment in the subsidiary for 2005	11,778
	<hr/>
Revaluation reserve at 31 August 2005	31,058
	<hr/>

2. AUDITORS' REMUNERATION

The operating loss is stated after charging auditors' remuneration of £5,294 (2004: £9,871), of which £1,765 (2004: £3,170) relates to the Company.

3. STAFF COSTS AND DIRECTORS' EMOLUMENTS

None of the directors received any emoluments for their services to the group. The group had no employees during the period.

PRECIS (2283) LIMITED

NOTES TO THE ACCOUNTS

Period from 1 January 2005 to 31 August 2005

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2005	2004
	£	£
Interest from third parties	7,482,603	24,014,084
Bank interest	-	51,377
	<u>7,482,603</u>	<u>24,065,461</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2005	2004
	£	£
Bank loan	7,020,465	17,807,294
Other loans	-	41,014
Discount bonds finance charge	426,683	6,170,123
	<u>7,447,148</u>	<u>24,018,431</u>

6. TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	Period from 1 January 2005 to 31 August 2005 £	Year Ended 31 December 2004 £
a) Current tax:		
UK corporation tax charge for the period / year	3,260	-
Tax underprovided in previous years	-	3,237
Total current tax	<u>3,260</u>	<u>3,237</u>
b) Factors affecting the tax charge for the current period:		
Profit/(loss) on ordinary activities before taxation	<u>16,153</u>	<u>(3,852)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 30% (2004: 30%).	4,847	(1,156)
Expenses not deductible for tax purposes	300	120
Unrelieved tax losses carried forward	-	1,036
Rate difference	(1,887)	-
Tax underprovided in previous years	-	3,237
Current tax charge for the period / year	<u>3,260</u>	<u>3,237</u>

PRECIS (2283) LIMITED

NOTES TO THE ACCOUNTS

Period from 1 January 2005 to 31 August 2005

7. PROFIT ATTRIBUTABLE TO MEMBER OF THE PARENT COMPANY

The parent company's profit for the period was £1,116.

8. INVESTMENTS

Company

	£
Investment in subsidiary net assets at 1 January 2005 (restated)	19,282
Increase in net assets during the year	9,891
Investment in subsidiary net assets at 31 August 2005	29,173

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital are as follows:

Name of company	Country of Incorporation	Holding	Proportion of voting rights and shares held	Nature of Business
Precis (2284) Limited	England and Wales	Ordinary Shares	100%	Financing company

9. DEBTORS

	Group 2005 £	Group 2004 £	Company 2005 £	Company Restated 2004 £
Loans	-	278,580,304	-	-
Other debtors	346,447	500	-	-
Amounts due from group undertakings	-	-	692	-
Called – up share capital not paid	2	2	2	2
Accrued income	-	4,159,919	-	-
	<u>346,449</u>	<u>282,740,725</u>	<u>694</u>	<u>2</u>

Loans falling due after more than one year amount to £nil (2004: £149,615,776).

PRECIS (2283) LIMITED

NOTES TO THE ACCOUNTS

Period from 1 January 2005 to 31 August 2005

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2005 £	Group 2004 £	Company 2005 £	Company 2004 £
Bank loan	-	128,964,528	-	-
Corporation tax	3,260	3,237	-	-
Other creditors	1,502,703	130,056,118	-	-
Accruals	10,570	3,958,847	4,857	5,281
	<u>1,516,533</u>	<u>262,982,730</u>	<u>4,857</u>	<u>5,281</u>

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2005 £	Group 2004 £	Company 2005 £	Company 2004 £
Bank loan	-	149,852,053	-	-
Discount bonds due 2008	-	7,444,216	-	-
	<u>-</u>	<u>157,296,269</u>	<u>-</u>	<u>-</u>
Bank loan amounts repayable:				
In one year or less	-	128,964,528	-	-
In more than one year but not more than two years	-	2,096,719	-	-
In more than two years but not more than five years	-	147,755,334	-	-
	<u>-</u>	<u>278,816,581</u>	<u>-</u>	<u>-</u>
Less: included in creditors: amounts falling due within one year	-	(128,964,528)	-	-
	<u>-</u>	<u>149,852,053</u>	<u>-</u>	<u>-</u>

PRECIS (2283) LIMITED

NOTES TO THE ACCOUNTS

Period from 1 January 2005 to 31 August 2005

12. SHARE CAPITAL

	2005 £	2004 £
Authorised:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and unpaid:		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

13. RESERVES

Group

	Share Capital £	Profit and Loss Account £	Total Shareholders' Funds £
At 1 January 2005	2	14,002	14,004
Profit for the financial period	-	12,893	12,893
	<u>2</u>	<u>26,895</u>	<u>26,897</u>
At 31 August 2005	<u>2</u>	<u>26,895</u>	<u>26,897</u>

Company

	Share Capital £	Revaluation reserve £	Profit and Loss Account £	Total Shareholders' Funds £
At 1 January 2005 restated	2	19,280	(5,279)	14,003
Profit for the financial period	-	-	1,116	1,116
Revaluation	-	11,778	-	11,778
	<u>2</u>	<u>31,058</u>	<u>(4,163)</u>	<u>26,897</u>
At 31 August 2005	<u>2</u>	<u>31,058</u>	<u>(4,163)</u>	<u>26,897</u>

PRECIS (2283) LIMITED

NOTES TO THE ACCOUNTS

Period from 1 January 2005 to 31 August 2005

14. NOTES TO THE STATEMENT OF CASH FLOWS

a) Reconciliation of operating loss to net cash inflow from operating activities

	31 August 2005 £	31 December 2004 £
Operating loss	(19,302)	(50,882)
(Increase)/decrease in debtors	(345,947)	132,427
Increase in creditors	187,384	879,654
Net cash (outflow)/inflow from operating activities	<u>(177,865)</u>	<u>961,199</u>

b) Analysis of changes in net debt

	At 1 January 2005 £	Cash flow £	Non Cash movements £	At 31 August 2005 £
Cash at bank and in hand	137,552,278	(136,355,297)	-	1,196,981
Debt due within one year	(128,964,528)	128,964,528	-	-
Debt due after more than one year	(157,296,269)	157,296,269	-	-
	<u>(148,708,519)</u>	<u>149,905,500</u>	<u>-</u>	<u>1,196,981</u>

15. RELATED PARTIES

During the period the Company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and trading balances outstanding at 31 August 2005, are as follows:

	Management Fees £	Charitable contribution £	Amounts Owed to Related Party £
Chiltern Trust Company (Jersey) Ltd	20,396	-	-
Precis Charitable Trust	-	1,000	-

Chiltern Trust Company (Jersey) Ltd is the immediate parent undertaking and controlling party of the company. It also acts as Trustee to the Precis Charitable Trust, which is incorporated in Jersey.

PRECIS (2283) LIMITED

NOTES TO THE ACCOUNTS

Period from 1 January 2005 to 31 August 2005

16. ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking and controlling party is Chiltern Trust Company (Jersey) Limited, acting as Trustee for The Precis Charitable Trust, which is incorporated in Jersey.