

H & T GROUP LIMITED

**ANNUAL REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2004**

Registered no: 5188117



H&T GROUP LIMITED

Annual report for the period ended 31 December 2004

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H&T GROUP LIMITED

Directors and Advisors

Non-Executive Directors

P Middleton
Chairman
Appointed 20 August 2004

B Slatter
Director
Appointed 20 August 2004

P Cartwright
Director
Appointed 20 August 2004

Executive Directors

J G Nichols
Managing Director
Appointed 8 September 2004

J Hughes
Finance Director
Appointed 8 September 2004
Resigned 31 March 2005

Registered Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Bankers

Barclays Bank plc
54 Lombard St
London
EC3V 9EX

H&T GROUP LIMITED

Directors' report for the period ended 31 December 2004

The directors present their report and the audited financial statements for the period ended 31 December 2004.

Principal Activities

The company owns H&T Finance Limited and indirectly owns Harvey & Thompson Limited which is principally engaged in pawn broking, the retail of jewellery and cheque cashing.

The group has consolidated Harvey & Thompson Limited and H & T Finance Limited, from the date of acquisition.

Review of Business & Future Developments

Both the level of business and the year-end financial position remain satisfactory, and the directors expect that the present level of activity will continue in the foreseeable future.

The company was incorporated on 23 July 2004 and Harvey & Thompson Limited was purchased from Cash America International Inc. on 8 September 2004. These accounts cover the period from 23 July 2004 to 31 December 2004. The accounting reference date has been changed to bring the year-end of the company to 31 December, which is in line with its subsidiary, Harvey & Thompson Limited.

Dividends and Transfers to Reserves

The directors do not propose a dividend. There is a loss for the period of £190,000, which has been taken to reserves.

Directors

The directors of the company, who held office during the period ended 31 December 2004, are listed on page 1.

Directors' Interests in Shares of the company

The following directors had interests in the shares of the company as follows:

Mr J G Nichols holds 70,000 B-Class ordinary shares of £1 each in H&T Group Limited and had no interests in the shares of any other company within the H&T Group Limited group.

Mr J Hughes holds 40,000 B-Class ordinary shares of £1 each in H&T Group Limited and had no interests in the shares of any other company within the H&T Group Limited group.

H&T GROUP LIMITED

Directors' report for the period ended 31 December 2004 (continued)

Personnel

H&T Group Limited maintain a policy of equal opportunities and are committed to ensuring that all individuals are treated fairly, with respect and are valued. Employees of the group are regularly consulted by local managers and kept informed of matters affecting them and the overall development of the company.

Employment of the Disabled

It is the policy of the company to give full and fair consideration to the employment of disabled persons in jobs suited to their individual circumstances and, as appropriate, to consider them for recruitment opportunities, career development and training. Where possible, arrangements are made for the continuing employment of employees who have become disabled whilst in the company's employment.

Charitable Donations

During the period the company made no charitable donations.

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 and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to;

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent;
- (iii) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (iv) 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 the group and to 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

H&T GROUP LIMITED

Directors' report for the period ended 31 December 2004 (continued)

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board


J G Nichols
Managing Director

3rd May

2005

H&T GROUP LIMITED

Independent Auditors' report to the members of H&T Group Limited

We have audited the financial statements which comprise the consolidated profit and loss account, the balance sheets, the consolidated cash flow statement and the related notes.

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 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 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.

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.

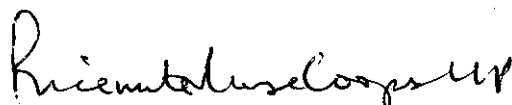
H&T GROUP LIMITED

Independent Auditors' report to the members of H&T Group Limited (continued)

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 affairs of the company and the group at 31 December 2004 and of the loss and cashflows of the group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

3 May 2005

H&T GROUP LIMITED

Consolidated profit and loss account for the period ended 31 December 2004

	Notes	£'000
Turnover	2	9,572
Cost of sales		<u>(2,990)</u>
Gross profit		6,582
Administrative expenses		<u>(4,831)</u>
Operating profit	5	1,751
Interest receivable on bank deposits		5
Interest payable and similar charges	6	<u>(1,812)</u>
Loss on ordinary activities before taxation		(56)
Taxation on loss on ordinary activities	7	(134)
Loss for the period	19	<u>(190)</u>

The consolidated group has no recognised gains and losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the loss for the period stated above, and their historical cost equivalents.

All the results for the year relate to continuing operations.

H&T GROUP LIMITED

Balance sheets as at 31 December 2004

	Notes	Group £'000	Company £'000
Fixed Assets			
Intangible Assets	8	14,440	-
Tangible Assets	9	5,433	-
		<u>19,873</u>	<u>-</u>
Current Assets			
Stocks	10	3,600	-
Debtors	11	28,453	1,000
Cash at Bank and in Hand		622	-
		<u>32,675</u>	<u>1,000</u>
Creditors: Amounts falling due within one year	12	<u>(4,718)</u>	<u>-</u>
Net Current Assets		<u>27,957</u>	<u>1,000</u>
Total Assets Less Current Liabilities		<u>47,830</u>	<u>1,000</u>
Creditors: Amounts falling due after more than one year	13	(46,862)	-
Provisions for Liabilities & Charges	14	<u>(158)</u>	<u>-</u>
Net Assets		<u><u>810</u></u>	<u><u>1,000</u></u>
Capital and Reserves			
Called Up Share Capital	18	1,000	1,000
Profit and Loss Account	19	<u>(190)</u>	<u>-</u>
Equity Shareholders' Funds	20	<u><u>810</u></u>	<u><u>1,000</u></u>

The financial statements on pages 7 to 25 were approved by the board of directors on 31 May 2005, and were signed on its behalf by:


J G Nichols
Managing Director

H&T GROUP LIMITED

Consolidated cash flow statement for the period ended 31 December 2004

	Notes	£'000	£'000
Net cash inflow from operating activities	21		1,861
Returns on investments and servicing of finance			
Interest received		5	
Interest paid		<u>(793)</u>	
Net cash outflow for returns on investments and servicing of finance			(788)
Taxation			(99)
Capital expenditure			
Purchase of tangible fixed assets	9		(386)
Acquisitions and Disposals			
Purchase of subsidiary	22	(45,634)	
Overdraft acquired with subsidiary		<u>(3,610)</u>	
Net cash outflow for acquisition and disposals			<u>(49,244)</u>
Net cash outflow before financing			(48,656)
Financing			
Issue of ordinary shares	18	1,000	
New borrowings	23	<u>49,778</u>	
Net cash inflow from financing			<u>50,778</u>
Increase in cash in the period			<u>2,122</u>
Reconciliation of net (debt)/cash			
New Borrowings at 8 September			(49,778)
Increase in net cash			2,122
Non-cash movements in borrowings	23		<u>(1,019)</u>
Net debt at 31 December 2004	23		<u>(48,675)</u>

H&T GROUP LIMITED

Notes to the Financial Statements for the period ended 31 December 2004

1 Principal Accounting Policies

A summary of the more important accounting policies, which have been applied consistently, is set out below.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 1985 and applicable Accounting Standards in the United Kingdom.

(b) Turnover

Interest receivable on loans is recognised on an accruals basis less provision for interest on loans not expected to be redeemed in full.

Revenue from retail jewellery sales, of both purchased stock and from the sale of pledged security for unredeemed pawn loans, is recognised at the time of sale. Commission receivable on cheque cashing is recognised immediately.

(c) Purchased goodwill

The group's purchased goodwill representing the excess of the fair value of the consideration paid over the aggregate of the fair values of the separable net assets acquired, is amortised over a period not exceeding 20 years, on a straight line basis, which is the period over which a benefit is expected to arise.

H&T GROUP LIMITED

Notes to the Financial Statements for the period ended 31 December 2004 (continued)

(d) Tangible fixed assets and depreciation

The cost of tangible fixed assets is the purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The principal economic lives used for this purpose are:

Freehold Buildings	50 years
Freehold Improvements	10 years
Leasehold Improvements	Shorter of 7 years or life of lease.
Motor Vehicles	4 years
Fixtures and Fittings	10 years
Computer Hardware	5 years
Bespoke Computer Software	8 years
Computer Software	3 years.

(e) Leases

Where assets are financed by leasing agreements that give rights approximating to ownership, the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding lease commitments are shown as obligations to the lessor. Lease payments are split between capital and interest elements. Depreciation on the relevant assets and interest are charged to the profit and loss account. All other leases are operating leases and the annual rentals are charged to operating profit on a straight line basis over the lease term.

(f) Capital Instruments

The long-term debt is held at the true net proceeds. Interest is calculated based on the stipulated rate in the specified agreement.

(g) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have occurred by the balance sheet date which give rise to an obligation to pay more tax or a right to pay less tax in the future. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse.

H&T GROUP LIMITED

Notes to the Financial Statements for the period ended 31 December 2004 (continued)

(h) Stocks

Stocks are stated at the lower of cost and net realisable value. For stock arising from unredeemed pledges the cost represents the amount originally loaned less capital repayments, if any, plus any remanufacturing costs. For stock acquired for retail sale the cost represents the purchase price. Where necessary provision is made for obsolete, slow moving and damaged stocks.

(i) Pension scheme arrangements

The company operates a defined contribution pension scheme which is contracted into the State Scheme. The company's share of contributions is charged to the profit and loss account on an accruals basis.

(j) Related party disclosures

The company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the H & T Group.

The group is owned 89% by The Rutland Fund, which is managed by Rutland Partners LLP and 11% by management. Consequently, the group is required to prepare a consolidated cash flow statement under the terms of Financial Reporting Standard 1.

(k) Debt issue cost

All borrowings are initially stated as the consideration received less issue costs incurred. Issue costs are charged to the profit and loss account over the shortest term of the loan facility, so as to give a constant periodic rate of change in capital repayments outstanding.

H&T GROUP LIMITED

Notes to the Financial Statements for the period ended 31 December 2004 (continued)

2 Turnover

All turnover is generated within the United Kingdom.

	Group 2004 £'000
Pawn broking and retail jewellery sales	8,996
Commission on cheque cashing	576
	<hr/> 9,572

Cheque cashing volumes for the period amounted to £11,413,000.

3 Directors' Emoluments

The two executive directors were paid by Harvey & Thompson Limited, a subsidiary company of H&T Group Limited. They participated in the subsidiary company's money purchase pension scheme.

Details of Directors Emoluments

For the period from incorporation to 31 December 2004, the following emoluments were paid by the group to the directors:

	£'000
Executive directors	
Aggregate emoluments	136
Company pension contributions to money purchase schemes	<hr/> 4

The executive directors participated in either the company's or the ultimate parent company's money purchase pension scheme.

	£'000
Highest paid director	
Aggregate emoluments	71
Company pension contributions to money purchase schemes	<hr/> 2

H&T GROUP LIMITED

Notes to the Financial Statements for the period ended 31 December 2004 (continued)

4 Employee Information

The average weekly number of persons (including executive directors) employed by the group during the period was:

	Group 2004	Company 2004
By Activity		
Branches	290	-
Administration	28	2
	<u>318</u>	<u>2</u>
	2004	
	£'000	
Staff Costs (for the above persons)		
Wages and Salaries	1,791	
Social Security Costs	158	
Other Pension Costs (see note 15)	18	
	<u>1,967</u>	

5 Operating Profit

	Group 2004 £'000
Operating profit is stated after charging:	
Depreciation charge for the period on owned tangible fixed assets	452
Amortisation charge for the period on intangible fixed assets	240
Auditors' remuneration - Audit: current year	19
- Other services	1
Operating Leases - Other assets	470

H&T GROUP LIMITED

Notes to the Financial Statements for the period ended 31 December 2004 (continued)

6 Interest Payable and Similar Charges

	Group £'000
Interest payable on bank loans and overdraft	1,608
Amortisation of debt issue costs	<u>204</u>
	<u>1,812</u>

7 Taxation on Loss on Ordinary Activities

	Group 2004 £'000
Current Tax:	
UK corporation tax on profits of the period	<u>151</u>
Deferred Tax:	
Origination & reversal of timing differences (ACA & other)	<u>(17)</u>
Tax on loss on ordinary activities	<u>134</u>

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004 £'000
Loss on ordinary activities before tax	<u>(56)</u>
Loss on ordinary activities multiplied by standard rate in the UK 30%	(17)
Effects of:	
Expenses not deductible for tax purposes	151
Accelerated capital allowances and other timing differences	<u>17</u>
Current tax charge for the period	<u>151</u>

H&T GROUP LIMITED

Notes to the Financial Statements for the period ended 31 December 2004 (continued)

8 Intangible Assets

	Group Goodwill £'000
Cost	
Additions (note 22)	14,680
At 31 December 2004	<u>14,680</u>
Amortisation	
Charge for the period	240
At 31 December 2004	<u>240</u>
Net Book Amount	
At 31 December 2004	<u>14,440</u>

H&T GROUP LIMITED

Notes to the Financial Statements for the period ended 31 December 2004 (continued)

9 Tangible Assets

	Freehold Land and Buildings £'000	Short Leasehold Premises £'000	Motor Vehicles £'000	Computer Systems £'000	Fixtures and Fittings £'000	Total £'000
Cost						
Acquisition	810	4,476	326	2,889	2,408	10,909
Fair value adjustment	-	-	-	(47)	-	(47)
Adjusted cost on acquisition	810	4,476	326	2,842	2,408	10,862
Additions	-	184	32	137	33	386
At 31 December 2004	810	4,660	358	2,979	2,441	11,248
Depreciation						
Acquisition	303	2,124	97	1,832	1,007	5,363
Charge for the period	18	190	31	130	83	452
At 31 December 2004	321	2,314	128	1,962	1,090	5,815
Net Book Amount						
At 31 December 2004	489	2,346	230	1,017	1,351	5,433
At 8 September 2004	507	2,288	229	1,057	1,374	5,499

H&T GROUP LIMITED

Notes to the Financial Statements for the period ended 31 December 2004 (continued)

10 Stocks

	Group 2004 £'000
Gold and jewellery	<u>3,600</u>

11 Debtors

	Group 2004 £'000	Company 2004 £'000
Trade debtors	24,206	-
Other debtors	161	-
Prepayments and accrued income	4,086	-
Amounts owed by subsidiary company	-	1,000
	<u>28,453</u>	<u>1,000</u>

12 Creditors: Amounts falling due within one year

	Group 2004 £'000
Trade creditors	575
Corporation tax	629
Other taxation and social security costs	125
Accruals and deferred income	954
Short term portion of bank loan	<u>2,435</u>
	<u>4,718</u>

H&T GROUP LIMITED

Notes to the Financial Statements for the period ended 31 December 2004 (continued)

13 Creditors: Amounts falling due after more than one year

	Group 2004 £'000
Bank loans	33,133
The Rutland Fund loan note (including accrued interest)	15,153
Unamortised issue costs	(1,424)
	<u>46,862</u>

Maturity of financial liabilities

The maturity profile of the carrying amount of financial liabilities, other than short-term trade creditors and accruals, as at 31 December 2004 was as follows:

	Debt £'000	Total £'000
In one year or less, or on demand	2,435	2,435
In more than one year but not more than two years	941	941
In more than two years but not more than five years	22,845	22,845
In more than five years	23,076	23,076
	<u>49,297</u>	<u>49,297</u>

The company had no financial liabilities other than short-term trade creditors and accruals.

Relevant information for loan facilities held by the group are as follows:

The Facility A loan, repayable in instalments up to 8 September 2010, has an interest rate of LIBOR plus a margin of 2.25%. A margin ratchet, offering reduced interest rates, may come into force from 31 December 2005 depending on the company meeting ratios as stipulated in the Credit Agreement. The margin may not fall below LIBOR plus 2.00% before 30 April 2006. As at 31 December 2004, the balance on the Facility A loan, including short-term, was £13,000,000.

The Facility B revolver loan has an interest of LIBOR plus a margin of 2.00%. This loan is secured on the Loan Book of Harvey & Thompson Limited. As at 31 December 2004, the balance on the Facility B revolver, including interest and short-term, was £18,100,000.

A Mezzanine Credit Agreement exists with an annual interest rate of LIBOR plus 8%. As at 31 December 2004, the balance on the loan was £5,062,000.

All loans, with the exception of the Facility B revolver loan, are secured with a floating charge over all remaining assets.

The Rutland Fund loan note accrues interest at the rate of 15% per annum. Both the loan note and the interest is not payable until exit. This loan is unsecured.

H&T GROUP LIMITED

Notes to the Financial Statements for the period ended 31 December 2004 (continued)

14 Provisions for Liabilities and Charges – Deferred taxation

	Group 2004 £'000
Tax effect of timing differences because of:	
Excess of capital allowances over depreciation	<u>158</u>
	£'000
On acquisition	175
Profit and loss account	<u>(17)</u>
At 31 December 2004	<u>158</u>

15 Pension Obligations

The group operates a self-administered pension scheme providing money purchase benefits based on the contributions paid to the scheme. The assets of the scheme are held separately from those of the group.

The total pension cost for the group during the period was £17,666. Outstanding pension contributions at 31 December 2004 amounted to £9,476.

16 Financial Commitments

At 31 December 2004 the group had annual commitments under cancellable operating leases as follows:

Expiring Within:	Group 2004 Land and Buildings £'000
Within one year	54
2-5 years	314
Over 5 years	<u>768</u>
Total	<u>1,136</u>

H&T GROUP LIMITED

Notes to the Financial Statements for the period ended 31 December 2004 (continued)

17 Capital Commitments

The group entered into contracts for capital expenditure totalling £55,631 before 31 December 2004.

18 Called Up Share Capital

	Company 2004 £'000
Authorised	
At 31 December:	
A-Class £1 Ordinary Shares	830
B-Class £1 Ordinary Shares	110
C-Class £1 Ordinary Shares	60
D-Class £1 Ordinary Shares	42
	<u>1,042</u>

Allotted, Called Up and Fully Paid

At 31 December:	
A-Class £1 Ordinary Shares	830
B-Class £1 Ordinary Shares	110
C-Class £1 Ordinary Shares	60
	<u>1,000</u>

All ordinary shares rank equally in pari passu and carry equal voting rights.

19 Profit and Loss Account

	Group £'000
At 8 September 2004	-
Loss for the period	<u>(190)</u>
At 31 December 2004	<u>(190)</u>

H&T GROUP LIMITED

Notes to the Financial Statements for the period ended 31 December 2004 (continued)

20 Reconciliation of Movements in Shareholders' Funds

	Group 2004 £'000	Company 2004 £'000
Loss for the period	(190)	-
Issue of share capital	1,000	1,000
Closing shareholders' funds	<u>810</u>	<u>1,000</u>

21 Cash flow from operating activities

Reconciliation of operating profit to net cash inflow from operating activities:

	Group 2004 £'000
Continuing Operations	
Operating profit	1,751
Amortisation of intangibles	240
Depreciation of tangibles	452
Decrease in stock	86
Increase in debtors	(1,332)
Increase in trade creditors	664
Net cash inflow from operating activities	<u>1,861</u>

H&T GROUP LIMITED

Notes to the Financial Statements for the period ended 31 December 2004 (continued)

22 Acquisition

The group purchased Harvey & Thompson Limited on 8 September 2004 for a consideration, including expenses, of £45,634,000. The total adjustments required to the book values of the assets and liabilities of Harvey and Thompson Limited in order to present the net assets at fair values in accordance with group accounting principles was £47,000. This relates to a write-down to the tangible fixed assets.

	Book Value £'000	Revaluation £'000	Fair Value £'000
Tangible fixed assets	5,546	(47)	5,499
Stocks	3,686	-	3,686
Debtors	27,120	-	27,120
Cash/(Overdraft)	(3,610)	-	(3,610)
Creditors	(989)	-	(989)
Corporation tax payable	(577)	-	(577)
Provisions	(175)	-	(175)
Net assets acquired	31,001	(47)	30,954
Goodwill			14,680
Consideration			45,634
Consideration satisfied by:			
Cash			44,357
Expenses			1,277
			45,634

In its last financial year to 31 December 2003, Harvey & Thompson Limited made a profit after tax of £2,704,000. For the period since that date to the date of acquisition, Harvey & Thompson Limited management accounts show:

	£'000
Turnover	17,168
Operating profit	3,250
Profit before taxation	3,063
Taxation	(926)
Total recognised gains for the period	2,137

H&T GROUP LIMITED

Notes to the Financial Statements for the period ended 31 December 2004 (continued)

23 Reconciliation of movement in net debt

	New Borrowings £'000	Cash Movements £'000	Non-cash £'000	31 December 2004 £'000
Cash	-	622	-	622
Short-term loans	(3,529)	1,094	-	(2,435)
	(3,529)	1,716	-	(1,813)
Long-term loans	(46,249)	406	(1,019)	(46,862)
	(49,778)	2,122	(1,019)	(48,675)

The non-cash items include amortisation and unpaid interest.

24 Principal Subsidiaries

	Principal Activity	Country of incorporation & Principal Operations	% of Equity and Votes Held
Harvey & Thompson Limited	Pawn broking	United Kingdom	100
H& T Finance Limited	Group financing	United Kingdom	100

All the companies listed above materially affect the amount of profit and the assets of the group and have been included in the group consolidation. Harvey & Thompson Limited is held indirectly by H&T Group Limited. All subsidiary undertakings have the same year-end as H&T Group Limited and accounting policies are consistent across the group.

H&T GROUP LIMITED

Notes to the Financial Statements for the period ended 31 December 2004 (continued)

25 Transactions with Related Parties

The Group has taken advantage of the exemption under FRS 8 not to disclose intra group transactions which cancel out on consolidation. Transactions with directors are disclosed in the directors' report. Other material related party transactions are set out below:

Related party	Relationship	Transaction type	Transactions during the period to 31 December 2004 £'000
The Rutland Fund	Ultimate controlling party	Loans falling due > 5 years	14,500
		Interest on loans	653
Rutland Partners LLP	Provider of management services	Management charges	31
Rutland Partners LLP	Provider of management services	Transaction fees	308*

* This amount has been settled in the period. The other balances remain outstanding.

26 Ultimate controlling party

A controlling interest in the Group is held by four UK Limited Partnerships which are collectively known as The Rutland Fund. This controlling interest takes the form of holding the majority of the issued ordinary shares in the Company. By virtue of its controlling interest and the majority voting power held by the directors appointed by these ordinary shareholders, the Company considers the Partnerships comprising The Rutland Fund to be the ultimate controlling party. Rutland Partnerships LLP provides management services to the Group and its wholly owned subsidiaries are the General Partners of the Partnerships comprising The Rutland Fund.

H&T Group Limited is incorporated and registered in Great Britain.