

Company Registration No. 05364464 (England and Wales)

BGPH GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MAY 2006



Saffery Champness
CHARTERED ACCOUNTANTS

BGPH GROUP LIMITED

COMPANY INFORMATION

Directors L J Stone (Appointed 10 October 2005)
B A P Hewetson (Appointed 10 October 2005)

Secretary J E C Davis

Company number 05364464

Registered office Brookfield House
Green Lane
Ivinghoe
Leighton Buzzard
LU7 9ES

Auditors Saffery Champness
Lion House
Red Lion Street
London
WC1R 4GB

Business address Brookfield House
Green Lane
Ivinghoe
Leighton Buzzard
LU7 9ES

Solicitors Edwin Coe
2 Stone Buildings
Lincoln's Inn
London
WC2A 3TH

BGPH GROUP LIMITED

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BGPH GROUP LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MAY 2006

The directors present their report and financial statements for the period ended 31 May 2006.

Principal activities and review of the business

The company was incorporated on 15 February 2005. The principal activity of the company is that of holding investments in subsidiary companies.

Results and dividends

The results for the period are set out on page 5.

Directors

The following directors have held office since 15 February 2005:

L J Stone	(Appointed 10 October 2005)
B A P Hewetson	(Appointed 10 October 2005)
Serjeants' Inn Nominees Limited	(Appointed 15 February 2005 and resigned 10 October 2005)
Loviting Limited	(Appointed 15 February 2005 and resigned 10 October 2005)
D J Bleeker	(Appointed 17 October 2005 and resigned 28 November 2005)

Directors' interests

None of the directors has any beneficial interest in the share capital of the company at 31 May 2006.

Any interests the directors have in the share capital of the ultimate holding company are disclosed in the accounts of that company.

Auditors

Saffery Champness were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

BGPH GROUP LIMITED

DIRECTORS' REPORT (continued) FOR THE PERIOD ENDED 31 MAY 2006

Directors' responsibilities

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 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;
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



J E C Davis

Secretary

24 August 2006

BGPH GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BGPH GROUP LIMITED

We have audited the financial statements on pages 5 to 11. These financial statements have been prepared in accordance with the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 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.

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 whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, 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.

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 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.

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.

BGPH GROUP LIMITED

**INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF BGPH GROUP LIMITED**

Opinion

In our opinion:

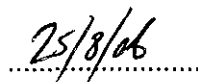
the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 May 2006 and of its loss for the period then ended; and

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.


Saffery Champness

Chartered Accountants
Registered Auditors


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Lion House
Red Lion Street
London
WC1R 4GB

BGPH GROUP LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MAY 2006**

	Notes	Period ended 31 May 2006 £'000
Operating loss		-
Other interest receivable and similar income		889
Interest payable and similar charges	2	(900)
		<hr/>
Loss on ordinary activities before taxation		(11)
Tax on loss on ordinary activities	3	-
		<hr/>
Loss on ordinary activities after taxation	9	<u>(11)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 7 to 11 form part of these financial statements.

BGPH GROUP LIMITED**BALANCE SHEET
AS AT 31 MAY 2006**

	Notes	2006 £'000	£'000
Fixed assets			
Investments	4		29,465
Current assets			
Debtors	5	18,772	
Creditors: amounts falling due within one year	6	<u>(17,499)</u>	
Net current assets			<u>1,273</u>
Total assets less current liabilities			<u>30,738</u>
Creditors: amounts falling due after more than one year	7		<u>(11,506)</u>
			<u>19,232</u>
Capital and reserves			
Called up share capital	8		18,890
Share premium account	9		353
Profit and loss account	9		<u>(11)</u>
Shareholders' funds - equity interests	10		<u>19,232</u>

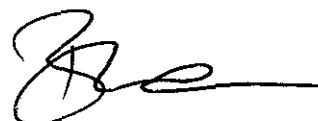
The notes on pages 7 to 11 form part of these financial statements.

The financial statements were approved by the board on 24 August 2006

L J Stone
Director



B A P Hewetson
Director



BGPH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MAY 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.5 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of BGPH Holdings Limited, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

1.6 Financial instruments

The company has adopted the requirements of FRS 25 Financial Instruments: Disclosure and Presentation. Equity instruments which result in a financial obligation have been classified as debt in these financial statements and dividends payable on such equity instruments are included as interest costs.

2 Interest payable

2006

£'000

On loans repayable after five years

900

BGPH GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MAY 2006**

3 Taxation	2006
	<hr/>
Current tax charge	<hr/> - <hr/>
 Factors affecting the tax charge for the period	
Loss on ordinary activities before taxation	(11) <hr/>
 Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00%	 (3)
Effects of:	
Tax losses surrendered to group companies	3 <hr/>
 Current tax charge	 <hr/> - <hr/>

BGPH GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MAY 2006****4 Fixed asset investments**

	Shares in group undertakings	Loans to group undertakings	Total
	£'000	£'000	£'000
Cost			
At 15 February 2005	-	-	-
Additions	20,465	9,000	29,465
	<u>20,465</u>	<u>9,000</u>	<u>29,465</u>
At 31 May 2006	<u>20,465</u>	<u>9,000</u>	<u>29,465</u>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
BGPH Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves 2006 £'000	Profit for the year 2006 £'000
BGPH Limited	<u>15,667</u>	<u>(2,967)</u>

5 Debtors	2006 £'000
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Amounts owed by group undertakings	<u>18,772</u>
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6 Creditors: amounts falling due within one year	2006 £'000
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Amounts owed to group undertakings	<u>17,499</u>
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BGPH GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 31 MAY 2006**

7	Creditors: amounts falling due after more than one year	2006
		£'000
	Other loans	8,787
	Accruals and deferred income	889
	12.6% cumulative redeemable preference shares	1,830
		<hr/>
		11,506
		<hr/>

Analysis of loans

Not wholly repayable within five years other than by instalments:

Other loans	9,000
Accruals and deferred income	889
12.6% cumulative redeemable preference shares	1,830
Issue costs	(213)
	<hr/>
	11,506
	<hr/>

Loan maturity analysis

In more than five years	9,889
	<hr/>

The loan notes are due for repayment on 30 November 2015 and accrue interest at a rate of 18% per annum.

On 22 November 2005 the company issued 1,830,391 12.6% cumulative redeemable preference shares of £1 each. These have been classified as a financial liability in accordance with FRS 25 Financial Instruments - Disclosure and Presentation.

8	Share capital	2006
		£'000
	Authorised	
	37,780,228 Ordinary shares of 50p each	18,890
		<hr/>
	Allotted, called up and fully paid	
	37,780,227 Ordinary shares of 50p each	18,890
		<hr/>

The company issued 1 ordinary share of £1 on incorporation. The share capital of the company was subsequently sub-divided into two ordinary shares of £0.50 each and the authorised share capital of the company was increased to £18,890,114 in respect of the ordinary shares. On 22 November 2005 the company issued 37,544,600 ordinary shares of £0.50 each at par and a further 235,625 shares of £0.50 each at £2 per share. The premium on issue of £353,438 in respect of these shares has been credited to the share premium account.

BGPH GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 31 MAY 2006

9 Statement of movements on reserves

	Share premium account £'000	Profit and loss account £'000
Retained loss for the period	-	(11)
Premium on shares issued during the period	353	-
	<hr/>	<hr/>
Balance at 31 May 2006	353	(11)
	<hr/>	<hr/>

10 Reconciliation of movements in shareholders' funds

	2006 £'000
Loss for the financial period	(11)
Proceeds from issue of shares	19,243
	<hr/>
Net addition to shareholders' funds	19,232
Opening shareholders' funds	-
	<hr/>
Closing shareholders' funds	19,232
	<hr/>

11 Employees

Number of employees

There were no employees during the period apart from the directors.

12 Control

The immediate parent company is BGPH Holdings Limited, a company registered in England and Wales.

BGPH Holdings Limited prepares group financial statements and copies can be obtained from Gateway House, Milverton Street, London SE11 4AP.

13 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.