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# **Montrose Global Capital LLP**

## **Report and Revised Financial Statements**

31 December 2005

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COMPANIES HOUSE

# Montrose Global Capital LLP

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Partnership No: OC310828

## **Designated members**

Peak Finance Partners V, L.P.  
Raymond Eyre

## **Auditors**

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

## **Bankers**

Bank of Scotland  
38 Threadneedle Street  
London  
EC2P 2EH

## **Solicitors**

Allen & Overy  
One New Change  
London  
EC4M 9QQ

## **Registered office**

43/44 Albemarle Street  
1<sup>st</sup> Floor  
London  
W1S 4JJ

## Designated members' report

The designated members present their report and the financial statements for the year ended 31 December 2005.

The revised report replaces the original report for the financial year ended 31 December 2005. It has been prepared as at the date of the original designated members' report, being 31 March 2006, and not at the date of revision and accordingly does not deal with events between these dates. The original designated members' report did not comply with the Limited Liability Partnerships ("LLP") Regulations 2001 made under the Limited Liability Partnerships Act 2000 in that a deposit paid to a third party had been incorrectly netted against deposits received.

### Principal activities and business review

Montrose Global Capital LLP was incorporated on 30 December 2004. Its principal activity is the provision of portfolio management and leasing advisory services to institutional investors.

Following the restructuring of the Montrose Group on 30 June 2005, under which the partnership acquired Montrose & Company International Limited and Montrose Financing Services Limited, the consolidated financial statements have been prepared under the provisions of FRS 6 on a merger accounting basis. Accordingly, the consolidated financial statements have been prepared to show the group as if the combining entities had always been members of the group.

In the opinion of the members, the state of Montrose Global Capital LLP's affairs at 31 December 2005 is satisfactory.

### Designated members

The following were designated members during the year:

Peak Finance Partners V, L.P.  
Raymond Eyre

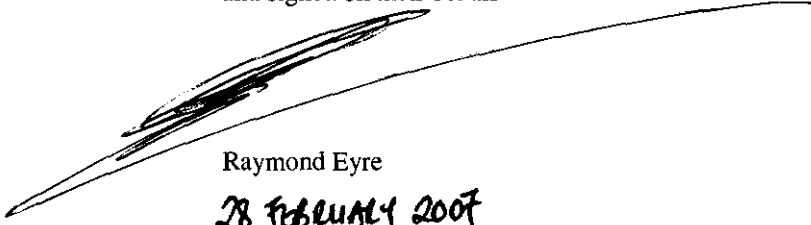
### Policy with respect to members' drawings and subscriptions and repayment of members' capital

Members are permitted to make drawings once the profit is determined. Drawings cannot exceed a member's profit share.

### Auditors

Ernst & Young LLP were appointed auditors during the year. A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Approved by the designated members  
and signed on their behalf



Raymond Eyre

28 February 2007

## **Statement of members' responsibilities in respect of the financial statements**

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The LLP Regulations 2001 made under the Limited Liability Partnerships Act 2000 require the members to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the limited liability partnership and of the group and of the profit or loss of the group for that year.

In preparing those financial statements, the members 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 the going concern basis unless it is inappropriate to presume that the group will continue in business.

Under LLP regulations, the members are responsible for keeping proper accounting records, which *disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with those regulations.* They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

*The members' responsibilities set out above are discharged by the designated members.*

## **Statement of members' responsibilities in respect of the revised financial statements**

Under the LLP Regulations 2001 made under the Limited Liability Partnerships Act 2000, the members have the authority to revise the financial statements or a designated members' report if they do not comply with the Act. The revised financial statements must be amended in accordance with the Companies (Revision of Defective Accounts and Reports) Regulations 1990 and, in accordance therewith, do not take account of events which have taken place after the date on which the original financial statements were approved. The regulations require that the revised financial statements show a true and fair view as if they were prepared and approved by the members as at the date of the original financial statements.

## **Independent auditors' report**

### **to the members of Montrose Global Capital LLP**

We have audited the group's revised financial statements for the year ended 31 December 2005 which comprise the Consolidated Profit and Loss Account, Partnership Profit and Loss Account, Consolidated Balance Sheet, Partnership Balance Sheet, Consolidated Statement of Total Recognised Gains and Losses, Partnership Statement of Total Recognised Gains and Losses, Reconciliation of Members' Interests – Group, and Reconciliation of Members' Interests – Partnership, and the related notes 1 to 15. These revised financial statements have been prepared under the accounting policies set out therein. The revised financial statements replace the original financial statements approved by the members on 31 March 2006.

The revised financial statements have been prepared under the Companies (Revision of Defective Accounts and Report) Regulations 1990 and accordingly do not take account of events which have taken place after the date on which the original financial statements were approved.

This report is made solely to the members, as a body, in accordance with the LLP Regulations 2001 made under the Limited Liability Partnerships Act 2000. Our audit work has been undertaken so that we might state to the 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of members and auditors**

As described in the Statement of Members' Responsibilities the members are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and 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).

We report to you our opinion as to whether the revised financial statements give a true and fair view and are properly prepared in accordance with the LLP Regulations 2001 made under the Limited Liability Partnerships Act 2000 as they have effect under the Companies (Revision of Defective Accounts and Report) Regulations 1990. We also report to you if whether in our opinion the information given in the revised Designated Members' Report is consistent with the revised financial statements.

In addition we report to you if, in our opinion, 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 members' remuneration and other transactions with the group is not disclosed.

We are also required to report whether, in our opinion, the original financial statements failed to comply with the requirements of the LLP Regulations 2001 made under the Limited Liability Partnerships Act 2000 in the respects identified by the members.

### **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 members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

The audit of revised financial statements includes the performance of additional procedures to assess whether the revisions made by the members are appropriate and have been properly made.

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.

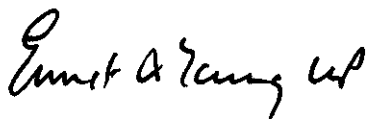
## **Independent auditors' report**

**to the members of Montrose Global Capital LLP (continued)**

### **Opinion**

In our opinion:

- the revised financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, seen as at the date the original financial statements were approved, of the state of affairs of the group as at 31 December 2005 and of the group profit and limited liability partnership loss for the year then ended;
- the revised financial statements have been properly prepared in accordance with the provisions of the LLP Regulations 2001 made under the Limited Liability Partnerships Act 2000 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 1990;
- the original financial statements for the year ended 31 December 2005 failed to comply with the LLP Regulations 2001 made under the Limited Liability Partnerships Act 2000 requirements in the respects identified by the members in the statement contained in note 15 to these revised financial statements; and
- the information given in the revised Designated Members' Report is consistent with the revised financial statements.



Ernst & Young LLP  
Registered Auditor  
London

28 February 2007

## Consolidated profit and loss account

for the year ended 31 December 2005

|   | Notes | 2005<br>£   | 2004<br>£   |
|---|-------|-------------|-------------|
| <b>Turnover</b>   | 2     | 2,425,468   | 1,602,597   |
| Administrative expenses   |       | (2,232,037) | (1,771,669) |
| <b>Operating profit/(loss)</b>  | 3     | 193,431     | (169,072)   |
| Bank interest receivable  |       | 23,260      | 499         |
| <b>Profit/(loss) before taxation</b>                                    |       | 216,691     | (168,573)   |
| Taxation  | 6     | (5,768)     | -           |
| <b>Net profit/(loss) for the financial year divisible among members</b> |       | 210,923     | (168,573)   |

## Consolidated statement of total recognised gains and losses

There are no recognised gains or losses during the financial year other than as stated in the profit and loss account above.

## Partnership profit and loss account

for the year ended 31 December 2005

|  | Notes | 2005<br>£        |
|--|-------|------------------|
| <b>Turnover</b>  | 2     | 495,427          |
| Administrative expenses  |       | (644,416)        |
| <b>Operating loss</b>  | 3     | (148,989)        |
| Bank interest receivable                                       |       | 2,731            |
| <b>Net loss for the financial year divisible among members</b> |       | <u>(146,258)</u> |

## Partnership statement of total recognised gains and losses

There are no recognised gains or losses during the financial year other than as stated in the profit and loss account above.



# Consolidated balance sheet

at 31 December 2005

|   | Notes | 2005<br>£   | 2004<br>£ |
|---|-------|-------------|-----------|
| <b>Fixed assets</b>                                   |       |             |           |
| Tangible assets                                       | 7     | 132,719     | 157,169   |
| <b>Current assets</b>                                 |       |             |           |
| Debtors:  |       |             |           |
| Amounts due from members                              |       | 2,517       | 800       |
| Other   | 8     | 1,350,429   | 111,341   |
|   |       | 1,352,946   | 112,141   |
| Cash at bank  |       | 3,531,919   | 418,419   |
|   |       | 4,884,865   | 530,560   |
| <b>Creditors: amounts falling due within one year</b> | 10    | (4,777,179) | (658,247) |
| <b>Net current assets/(liabilities)</b>               |       | 107,686     | (127,687) |
| <b>Total assets less current liabilities</b>          |       | 240,405     | 29,482    |
| <b>Members' other interests</b>                       |       |             |           |
| Profits to be divided                                 |       | 240,405     | 29,482    |
| <b>Total members' interests</b>                       |       |             |           |
| Members' other interests                              |       | 240,405     | 29,482    |
| Amounts due from members                              |       | (2,517)     | (800)     |
|   |       | 237,888     | 28,682    |

Raymond Eyre  
Designated Member

28 February 2007

## Partnership balance sheet

at 31 December 2005

|   | Notes | 2005<br>£   |
|---|-------|-------------|
| <b>Current assets</b>                                 |       |             |
| Debtors:  |       |             |
| Amounts due from members                              |       | 2,517       |
| Other   | 8     | 462,267     |
|   |       | <hr/>       |
| Cash at bank  |       | 464,784     |
|   |       | 3,499,348   |
|   |       | <hr/>       |
|   |       | 3,964,132   |
| <b>Creditors:</b> amounts falling due within one year | 10    | (4,110,390) |
|   |       | <hr/>       |
| <b>Net current liabilities</b>                        |       | (146,258)   |
|   |       | <hr/>       |
| <b>Members' other interests</b>                       |       |             |
| Losses to be divided                                  |       | (146,258)   |
|   |       | <hr/>       |
| <b>Total members' interests</b>                       |       |             |
| Members' other interests                              |       | (146,258)   |
| Amounts due from members                              |       | (2,517)     |
|   |       | <hr/>       |
|   |       | (148,775)   |
|   |       | <hr/>       |

Raymond Eyre  
Designated Member

28 FEBRUARY 2007

## Reconciliation of members' interests - group

for the year ended 31 December 2005

|   | <i>Members'</i><br><i>capital</i><br>£ | <i>Profits/</i><br><i>(losses)</i><br><i>be divided</i><br>£ | <i>Loans and other</i><br><i>debts due to/</i><br><i>(from)</i><br><i>Total</i><br>£ | <i>members</i><br>£ | <i>Total</i><br>£ |
|---|--|--|--|---------------------|-------------------|
| Members' interests at 1 January 2004                  | –                                      | 198,055  | 198,055  | –                   | 198,055           |
| Net loss for financial year divisible among members   | –                                      | (168,573)  | (168,573)  | –                   | (168,573)         |
| Increase in amounts due from members                  | –                                      | –  | –  | (800)               | (800)             |
| Members' interests at 31 December 2004                | –                                      | 29,482   | 29,482   | (800)               | 28,682            |
| Net profit for financial year divisible among members | –                                      | 210,923  | 210,923  | –                   | 210,923           |
| Increase in amounts due from members                  | –                                      | –  | –  | (1,717)             | (1,717)           |
| Members' interests at 31 December 2005                | –                                      | 240,405  | 240,405  | (2,517)             | 237,888           |

## Reconciliation of members' interests - partnership

for the year ended 31 December 2005

|   | <i>Members'</i><br><i>capital</i> | <i>Profits/</i><br><i>(losses)</i><br><i>be divided</i> | <i>Loans and other</i><br><i>debts due to/</i><br><i>(from)</i><br><i>members</i> | <i>Total</i> |
|---|-----------------------------------|---|---|--------------|
|   | £                                 | £   | £   | £            |
| Members' interests at 30 June 2005                  | –                                 | –   | –   | –            |
| Net loss for financial year divisible among members | –                                 | (146,258)   | (146,258)   | (146,258)    |
| Increase in amounts due from members                | –                                 | –   | (2,517)   | (2,517)      |
| Members' interests at 31 December 2005              | –                                 | (146,258)   | (146,258)   | (148,775)    |

## Notes to the financial statements

at 31 December 2005

### 1. Accounting policies

#### ***Basis of accounting***

The financial statements have been prepared under the historical cost convention, and in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

#### ***Basis of consolidation***

The group financial statements consolidate the financial statements of Montrose & Company International Limited, Montrose Financing Services Limited and Montrose Global Capital LLP.

Following the restructuring of the Montrose Group on 30 June 2005, under which the partnership acquired Montrose & Company International Limited and Montrose Financing Services Limited, the consolidated financial statements have been prepared under the provisions of FRS 6 on a merger accounting basis. Accordingly, the consolidated financial statements have been prepared to show the group as if the combining entities had always been members of the group

#### ***Presentation of cash flow statement***

Montrose Global Capital LLP has taken advantage of the exemption from the requirement to prepare a cash flow statement conferred by Financial Reporting Standard 1 (revised). It has not prepared a cash flow statement on the grounds that it is a subsidiary undertaking where 90 per cent or more of the voting rights are controlled within the Bank of America N.A. group, and consolidated financial statements in which Montrose Global Capital LLP is included are publicly available.

#### ***Depreciation***

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

|                       |   |                      |
|-----------------------|---|----------------------|
| Leasehold improvement | - | remaining lease term |
| Fixtures and fittings | - | 5 years              |
| Equipment             | - | 5 years              |

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### ***Revenue recognition policy***

Revenue is recognised when all work required by the terms of applicable agreements has been performed, the amount of the revenue is determinable, the partnership's claim for consideration has been fixed, and the partnership has no further obligation to provide significant work.

#### ***Taxation - partnership***

Taxation on all partnership profits is solely the personal liability of the individual members. Consequently neither taxation nor related deferred taxation arising in the partnership has been accounted for in the partnership financial statements.

#### ***Taxation - group***

Taxation arising in the consolidated financial statements reflects tax incurred by subsidiary companies of the partnership.

## Notes to the financial statements

at 31 December 2005

### 1. Accounting policies (continued)

#### *Deferred taxation - group*

Deferred tax is recognised 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 members 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.

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

#### *Operating lease agreements*

Rentals payable under operating leases are charged in the Profit and Loss Account on a straight line basis over the lease term.

#### *Pension costs*

The company makes contributions to the personal pension schemes of employees. Contributions are charged to the profit and loss account as they become payable.

### 2. Turnover

Turnover consists of fee income for the provision of portfolio management and leasing advisory services from continuing activities, stated net of value added tax.

An analysis of turnover by geographical market is as follows:

|                          | <i>Group</i><br>2005<br>£ | <i>Group</i><br>2004<br>£ | <i>Partnership</i><br>2005<br>£ |
|--------------------------|---------------------------|---------------------------|---------------------------------|
| Europe                   | 1,518,902                 | 1,319,329                 | —                               |
| United States of America | 906,566                   | 283,268                   | 495,427                         |
|                          | <u>2,425,468</u>          | <u>1,602,597</u>          | <u>495,427</u>                  |

## Notes to the financial statements

at 31 December 2005

### 3. Operating profit/(loss)

This is stated after charging/(crediting):

|  | <i>Group</i><br>2005<br>£ | <i>Group</i><br>2004<br>£ | <i>Partnership</i><br>2005<br>£ |
|--|---------------------------|---------------------------|---------------------------------|
| Auditors' remuneration - audit services        | 31,500                    | 23,500                    | 15,750                          |
| - non-audit services                           | 6,000                     | 5,875                     | -                               |
| Depreciation of owned fixed assets             | 29,237                    | 11,137                    | -                               |
| Operating lease rentals - land and buildings   | 98,846                    | 111,962                   | 53,310                          |
| Loss/(profit) on foreign exchange transactions | 38,417                    | (13,015)                  | 18,658                          |
| Loss on disposal of fixed assets               | 4,574                     | 6,360                     | -                               |

### 4. Staff costs

|                       | <i>Group</i><br>2005<br>£ | <i>Group</i><br>2004<br>£ | <i>Partnership</i><br>2005<br>£ |
|-----------------------|---------------------------|---------------------------|---------------------------------|
| Wages and salaries    | 1,008,212                 | 882,455                   | 113,407                         |
| Social security costs | 125,357                   | 114,324                   | 14,166                          |
| Other pension costs   | 30,821                    | 30,218                    | 5,301                           |
|                       | 1,164,390                 | 1,026,997                 | 132,874                         |

The monthly average number of employees (excluding members) during the year was as follows:

|                            | <i>Group</i><br>2005<br>No. | <i>Group</i><br>2004<br>No. | <i>Partnership</i><br>2005<br>No. |
|----------------------------|-----------------------------|-----------------------------|-----------------------------------|
| Corporate finance advisory | 4                           | 4                           | 4                                 |
| Administration             | 1                           | 1                           | 1                                 |
|                            | 5                           | 5                           | 5                                 |

### 5. Member's remuneration

|  | <i>Group</i><br>2005<br>£ | <i>Group</i><br>2004<br>£ | <i>Partnership</i><br>2005<br>£ |
|--|---------------------------|---------------------------|---------------------------------|
| Remuneration   | 494,892                   | 293,136                   | 78,294                          |
| Value of pension contributions to money purchase schemes | 33,782                    | 16,524                    | 8,262                           |
| Members of money purchase pension schemes                | 1                         | 1                         | 1                               |

## Notes to the financial statements

at 31 December 2005

### 6. Taxation - group

All tax relates to companies owned by the partnership.

(a) Tax included in the consolidated profit and loss account

|                     | 2005  | 2004 |
|---------------------|-------|------|
|                     | £     | £    |
| <i>Current tax:</i> |       |      |
| UK corporation tax  | 5,768 | -    |

(b) Factors affecting current tax in the profit and loss account:

The tax assessed on the profit/(loss) on ordinary activities for the year differs from the standard rate of corporation tax in the UK. The differences are reconciled below:

|   | 2005      | 2004      |
|---|-----------|-----------|
|   | £         | £         |
| Profit/(loss) on ordinary activities before taxation  | 216,691   | (168,573) |
| Add: non taxable losses in the partnership  | 146,258   | -         |
| Taxable profits/(losses)  | 362,959   | (168,573) |
| Taxable profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004 - 30%) | 108,888   | (50,572)  |
| Expenses not deductible for tax purposes  | 15,537    | 36,395    |
| Depreciation in (short fall)/excess of capital allowances   | (2,816)   | 1,993     |
| Other timing differences  | (2,243)   | 1,590     |
| Utilisation of brought forward tax losses   | (113,598) | -         |
| Unrelieved tax losses carried forward   | -         | 10,594    |
| Current tax for the year (note 5(a))  | 5,768     | -         |

(c) Deferred tax in the financial statements of Montrose & Company International Limited

The deferred taxation asset not recognised in the financial statements is as follows:

|   | 2005    | 2004    |
|---|---------|---------|
|   | £       | £       |
| Depreciation in advance of capital allowances | 3,480   | 4,389   |
| Tax losses available                          | -       | 305,265 |
| Other timing differences                      | 216,056 | 2,261   |
| Unrecognised deferred tax asset               | 219,536 | 311,915 |

The deferred tax assets have not been recognised as the recognition criteria in FRS 19 have not been met.



# Notes to the financial statements

at 31 December 2005

## 7. Tangible fixed assets - group

|                          | <i>Leasehold<br/>improvement</i> | <i>Fixtures<br/>and fittings</i> | <i>Equipment</i> | <i>Total</i> |
|--------------------------|----------------------------------|----------------------------------|------------------|--------------|
|                          | £                                | £                                | £                | £            |
| Cost:                    |                                  |                                  |                  |              |
| At 31 December 2004      | 91,384                           | 20,438                           | 61,843           | 173,665      |
| Additions                | 3,577                            | 1,254                            | 10,355           | 15,186       |
| Disposals                | –                                | –                                | (10,575)         | (10,575)     |
| At 31 December 2005      | 94,961                           | 21,692                           | 61,623           | 178,276      |
| Depreciation:            |                                  |                                  |                  |              |
| At 31 December 2004      | 4,495                            | 3,583                            | 8,418            | 16,496       |
| Provided during the year | 11,696                           | 4,388                            | 13,153           | 29,237       |
| Disposals                | –                                | –                                | (176)            | (176)        |
| At 31 December 2005      | 16,191                           | 7,971                            | 21,395           | 45,557       |
| Net book value:          |                                  |                                  |                  |              |
| At 31 December 2005      | 78,770                           | 13,721                           | 40,228           | 132,719      |
| At 31 December 2004      | 86,889                           | 16,855                           | 53,425           | 157,169      |

## 8. Debtors

|  | <i>Group<br/>2005</i> | <i>Group<br/>2004</i> | <i>Partnership<br/>2005</i> |
|--|-----------------------|-----------------------|-----------------------------|
|  | £                     | £                     | £                           |
| Amounts owed by other group undertakings | 89,792                | 37,153                | 416,068                     |
| Other debtors                            | 1,223,188             | 67,062                | 8,750                       |
| Prepayments and accrued income           | 37,449                | 7,126                 | 37,449                      |
|  | 1,350,429             | 111,341               | 462,267                     |

## Notes to the financial statements

at 31 December 2005

### 9. Investments

On 30 June 2005, under the terms of the group reorganisation, Montrose Global Capital LLP became the parent undertaking of Montrose & Company International Limited and Montrose Financing Services Limited. As part of the organisation, the investments in Montrose & Company International Limited and Montrose Financing Services Limited were transferred to Montrose Global Capital LLP from Montrose LLC at nil value.

Details of the subsidiary undertakings of Montrose Global Capital LLP are as follows:

| <i>Name of Company</i>                   | <i>Holding</i>       | <i>Nature of Business</i> |
|--|----------------------|---------------------------|
| Montrose & Company International Limited | Ordinary shares 100% | Broker                    |
| Montrose Financing Services Limited      | Ordinary shares 100% | Dormant                   |

The result for the year and capital and reserves of each holding:

|  | <i>Retained<br/>profit<br/>2005<br/>£</i> | <i>Capital and<br/>reserves<br/>2005<br/>£</i> | <i>Retained<br/>profit<br/>2004<br/>£</i> | <i>Capital and<br/>reserves<br/>2004<br/>£</i> |
|--|---|--|---|--|
| Montrose & Company International Limited | 357,181                                   | 385,648  | (168,573)                                 | 28,467   |
| Montrose Financing Services Limited      | 1,015                                     | 1,115  | 1,015                                     | 1,115  |

### 10. Creditors: amounts falling due within one year

|  | <i>Group<br/>2005<br/>£</i> | <i>Group<br/>2004<br/>£</i> | <i>Partnership<br/>2005<br/>£</i> |
|--|-----------------------------|-----------------------------|-----------------------------------|
| Trade creditors                          | –                           | 16,132                      | –                                 |
| Amounts owed to other group undertakings | 1,013,028                   | –                           | 3,991,792                         |
| Client deposits                          | 3,005,679                   | –                           | –                                 |
| Other taxation and social security       | 66,659                      | 61,997                      | 4,452                             |
| Accruals and deferred income             | 691,813                     | 580,118                     | 114,146                           |
|  | <u>4,777,179</u>            | <u>658,247</u>              | <u>4,110,390</u>                  |

### 11. Pensions

The group makes contributions to the personal pension schemes for its employees. The unpaid contributions outstanding at the year end, included in accruals and deferred income (note 9) are £nil (2004 - £7,463).

### 12. Commitments under operating leases

At 31 December 2005 the group had annual commitments under non-cancellable operating leases as set out below:

|                                | <i>Group<br/>2005<br/>£</i> | <i>Land and buildings<br/>Group<br/>2004<br/>£</i> | <i>Partnership<br/>2005<br/>£</i> |
|--------------------------------|-----------------------------|--|-----------------------------------|
| Operating leases which expire: |                             |  |                                   |
| In two to five years           | 81,173                      | 75,055   | 81,173                            |

## Notes to the financial statements

at 31 December 2005

### 13. Related party transactions

The partnership has taken advantage of the exemptions under FRS 8 from disclosing transactions with entities which are part of the Bank of America N.A. group, as the consolidated financial statements of that group are publicly available.

### 14. Ultimate parent undertaking

In the members' opinion, the partnership's ultimate parent undertaking is Bank of America N.A. which is incorporated in the United States of America. Copies of its group financial statements, which include the limited liability partnership, are available from its website.

### 15. Revision of financial statements

These revised financial statements replace the original annual financial statements for the financial year ended 31 December 2005 and are now the statutory financial statements of the group and the limited liability partnership for that financial year. These financial statements have been prepared as at 31 March 2006, which is the date of the original financial statements, and not as at the date of this revision. Accordingly, these revised financial statements do not deal with events between 31 March 2006 and the date of revision of these financial statements.

The original financial statements failed to comply with the LLP Regulations 2001 made under the Limited Liability Partnerships Act 2000, as a deposit paid to a third party for the amount of £1,164,992 had been incorrectly netted against deposits received, in the following respects:

| <u>Item</u>                                    | <u>Page</u> | <u>Statement</u>           | <u>Original</u><br><u>(£)</u> | <u>Revised</u><br><u>(£)</u> |
|--|-------------|----------------------------|-------------------------------|------------------------------|
| Debtors – Other                                | 8           | Consolidated balance sheet | 185,437                       | 1,350,429                    |
| Total debtors                                  | 8           | Consolidated balance sheet | 187,954                       | 1,352,946                    |
| Total current assets                           | 8           | Consolidated balance sheet | 3,719,873                     | 4,884,865                    |
| Creditors: amounts falling due within one year | 8           | Consolidated balance sheet | 3,612,187                     | 4,777,179                    |

| <u>Item</u>             | <u>Note number</u> | <u>Original</u><br><u>(£)</u> | <u>Revised</u><br><u>(£)</u> |
|-------------------------|--------------------|-------------------------------|------------------------------|
| Other debtors – Group   | 8                  | 58,196                        | 1,223,188                    |
| Total debtors – Group   | 8                  | 185,437                       | 1,350,429                    |
| Client deposits – Group | 10                 | 1,840,687                     | 3,005,679                    |
| Total creditors – Group | 10                 | 3,612,187                     | 4,777,179                    |