

**EXEL SCOTLAND LIMITED**

**Company number: 4109 (Scotland)**

**Annual Report and Financial Statements**

**For the Year Ended**

**31 December 2004**

**Directors**

**Exel Nominee No 2 Limited  
Exel Secretarial Services Limited**

**Secretary**

**Exel Secretarial Services Limited**

**Registered Office  
Brownsburn Industrial Estate  
Airdrie  
Lanarkshire  
ML6 9SE**



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COMPANIES HOUSE 28/10/05**

## **EXEL SCOTLAND LIMITED**

### **Directors' Report**

The Directors present their report and the financial statements for the year ended 31 December 2004.

### **Results and dividends**

	<b>2004</b> <b>£000</b>	<b>2003</b> <b>£000</b>
Profit for the year	<b>409</b>	-
Preference dividend	<b>(4)</b>	<b>(4)</b>
Retained profit for the year	<b>405</b>	<b>(4)</b>

The Directors do not recommend the payment of a dividend on the ordinary shares (2003: £nil).

### **Principal activity and business review**

The principal activity of the Company is the receipt of interest from group undertakings. There was no business activity or developments during the period. It is unlikely that the company will recommence trading in the foreseeable future.

In the opinion of the Directors the annexed financial statements give a fair review of the development of the business during the year and of its position at the end of the year.

### **Statement of 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 year. 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, subject to any material departures disclosed and explained in the financial statements;
- 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 safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that the Directors' Report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

### **Directors**

The Directors who held office during the year are given below:

Exel Nominee No 2 Limited  
Exel Secretarial Services limited

## **EXEL SCOTLAND LIMITED**

### **Directors' Report**

### **Directors' interests**

According to the registers kept by the Company under section 325 of the Companies Act 1985, the Directors at the end of the financial year had no notifiable interest in the shares of the Company or of Exel plc, the ultimate parent company.

### **Auditors**

A resolution to re-appoint Ernst & Young LLP as the Company's Auditors will be put to the members at the Annual General Meeting.

By order of the Board



S H Coffey  
For and on behalf of  
Exel Secretarial Services Limited

11<sup>th</sup> October

2005

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EXEL SCOTLAND LIMITED**

We have audited the Company's financial statements for the year ended 31 December 2004 which comprise the Profit and Loss Account, Balance Sheet, Accounting Policies and the related notes 1 to 10. These financial statements have been prepared on the basis of 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 auditor's 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**

As described in the Statement of Directors' Responsibilities, the Company's Directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report 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 with the Company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

**Basis of Audit Opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 of the state of affairs of the Company as at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

Ernst & Young LLP  
Registered Auditor  
1 Colmore Square  
Birmingham  
B4 6HQ

*24<sup>th</sup> October 2005*

# EXEL SCOTLAND LIMITED

## Profit and Loss Account

For the year ended 31 December 2004

	Note	2004 £000	2003 £000
Interest receivable from group undertaking	2	<u>409</u>	<u>-</u>
<b>Profit for the financial year</b>		<b>409</b>	<b>-</b>
Non equity dividends	4	<u>(4)</u>	<u>(4)</u>
<b>Transferred to reserves</b>	8	<b>405</b>	<b>(4)</b>

Movements in shareholders' funds are set out in note 8.

The results for the year derive from continuing operations.

There are no recognised gains or losses other than the profit for the year of £405,000 (2003: loss £4,000).

# EXEL SCOTLAND LIMITED

## Balance Sheet

At 31 December 2004

	Note	2004 £000	2003 £000
<b>Fixed assets</b>			
Investments	5	347	347
<b>Current assets</b>			
<b>Debtors:</b> amounts falling due within one year	6	8,991	8,463
<b>Creditors:</b> amounts falling due within one year	7	(3,319)	(3,196)
<b>Net current assets</b>		<u>5,672</u>	<u>5,267</u>
<b>Total assets less current liabilities</b>		<u>6,019</u>	<u>5,614</u>
<b>Capital and reserves</b>			
Called up share capital	8	2,053	2,053
Share premium account	8	79	79
Profit and loss account	8	3,887	3,482
		<u>6,019</u>	<u>5,614</u>
<b>Equity shareholders' funds</b>		<u>5,519</u>	<u>5,114</u>
Non-equity shareholders' funds	8	500	500
<b>Shareholders' funds</b>		<u>6,019</u>	<u>5,614</u>

Approved by the Board on 11<sup>th</sup> October 2005 and signed on its behalf.



Director  
For and on behalf of  
Exel Nominee No 2 Limited

**Accounting Policies**

The accounting policies adopted by the Company are set out below and are consistent with those of the previous year.

**(a) Accounting convention**

The financial statements are prepared under the historical cost convention and are in accordance with applicable UK accounting standards.

**(b) Basis of preparation**

Group financial statements have not been prepared because the Company is a wholly owned subsidiary of Exel plc, a company incorporated in Great Britain. These financial statements present information about the Company as an individual undertaking and not about its group.

During the financial year the directors have reassessed the treatment of amounts due to and from group undertakings. This review has identified that the split should be adjusted to give a fairer reflection of the commercial position of the transactions. This change in approach has no affect on the profit and loss account or the underlying terms of the transactions but to ensure comparability the 2003 comparative numbers for group debtors and creditors have been restated to be in line with this new approach.

The group financial statements of Exel plc contain a consolidated cash flow statement. The Company has taken advantage of the exemption granted by FRS 1 whereby it is not required to publish its own cash flow statement.

The Company has taken advantage of the exemption granted by FRS 8 from disclosure of related party transactions with members of the Group or associates of other Group members.

**(c) Taxation**

The Company does not provide for UK corporation tax or deferred tax because the ultimate parent undertaking has undertaken to discharge the Company's liability to UK corporation tax.

# EXEL SCOTLAND LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2004

### 1 Directors' emoluments

The directors received no remuneration (2003: none) for services provided to the Company and there are no employees.

### 2 Net interest

	2004 £000	2003 £000
Interest receivable from group undertaking	<u>409</u>	<u>-</u>

### 3 Tax on profit on ordinary activities

The ultimate parent undertaking has undertaken to discharge the Company's liability to UK corporation tax and therefore no provision has been made for UK corporation tax.

#### Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004 £000	2003 £000
Profit on ordinary activities before taxation	<u>409</u>	<u>-</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003:30%)	123	-
Effects of:		
Group relief receivable	(123)	-
Current tax charge	<u>-</u>	<u>-</u>

### 4 Dividends

	2004 £000	2003 £000
7% cumulative preference shares of £1 dividend	<u>4</u>	<u>4</u>



# EXEL SCOTLAND LIMITED

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2004

### 5 Investments

	Total £000
<b>Net book amount</b>	
<b>At 31 December 2004</b>	<b>347</b>
At 1 January 2004	<u>347</u>

The above investment represents 100% holding in Citispeed Limited, a dormant company. In the opinion of the directors, the value of the company's investments are not less than the amount included in the balance sheet.

### 6 Debtors

	2004 £000	2003 £000
Amounts falling due within one year		
Amounts owed by group undertakings	8,459	8,463
Prepayments and accrued income	532	-
	<u>8,991</u>	<u>8,463</u>

The 2003 number relating to group undertakings has been restated as explained within the accounting policies.

### 7 Creditors

	2004 £000	2003 £000
Amounts falling due within one year		
Amounts owed to group undertakings	3,196	3,196
Other creditors	123	-
	<u>3,319</u>	<u>3,196</u>

The 2003 number relating to group undertakings has been restated as explained within the accounting policies.

# EXEL SCOTLAND LIMITED

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2004

### 8 Movements in shareholders' funds

	Share capital £000	Share premium £000	Profit and loss account £000	<b>2004 Total £000</b>	2003 Total £000
Profit for the financial year	-	-	409	<b>409</b>	-
Dividends	-	-	(4)	<b>(4)</b>	(4)
Movement in the year	-	-	405	<b>405</b>	(4)
At 1 January	2,053	79	3,482	<b>5,614</b>	5,618
<b>At 31 December</b>	<b>2,053</b>	<b>79</b>	<b>3,887</b>	<b>6,019</b>	5,614

The authorised share capital is 7,000,000 ordinary shares of 25p each, of which 6,210,420 have been allotted and 500,000 7% (formerly 4.9% plus tax credit) cumulative preference shares of £1 each all of which have been allotted.

The preference shares carry no voting rights at meetings. On winding up of the Company, the preference shareholders have a right to receive, in preference to any payments to the ordinary shareholders, £1 per share plus accrued dividend.

### 9 Contingent liabilities

- (a) For VAT purposes, the Company is grouped with other undertakings in a VAT Group; under these arrangements the Company has a joint and several liability for amounts owed by those undertakings to H.M. Customs and Excise.
- (b) For UK corporate tax purposes the Company has made collective payment arrangements with other undertakings in the Exel Group; under these arrangements the Company has a joint and several liability for amounts owed by those undertakings to the Inland Revenue.

### 10 Immediate and ultimate parent company

The Company's immediate parent undertaking is Exel Holdings Limited. The Company's ultimate parent undertaking is Exel plc which is registered in England. The smallest group of undertakings of which the Company is a member, for which group financial statements are prepared, is that of Exel Holdings Limited. The largest group of undertakings of which the Company is a member, for which group financial statements are prepared, is that of Exel plc. Copies of the financial statements of Exel plc can be obtained from Ocean House, The Ring, Bracknell, Berkshire, RG12 1AN.