

**FIRST TOWER LP (1) LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**  
  
**(Company Number SC122077)**



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**FIRST TOWER LP (1) LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

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## **FIRST TOWER LP (1) LIMITED**

### **REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31 DECEMBER 2004**

The director presents his report and the audited financial statements of the company for the year ended 31 December 2004.

#### **1. Principal activity and review of business**

The company owns an interest as a limited partner in the First Tower Limited Partnership ("the Partnership"), an entity which holds a beneficial leasehold interest in office accommodation.

Both the level of business and the year end financial position were satisfactory, and the director expects that the present level of activity will be sustained for the foreseeable future.

#### **2. Results**

The profit and loss account for the year is set out on page 5. The retained profit for the year of £19 (2003: £19) has been transferred to reserves.

#### **3. Dividend**

The director does not recommend the payment of a dividend in respect of the year (2003: £nil).

#### **4. Director**

The director of the company at 31 December 2004, who was a director for the whole of the year then ended was R S Heels.

#### **5. Director's interests**

According to the register required to be kept under Section 325 of the Companies Act 1985 the interests of the director of the company at 31 December 2004 in the shares of the company's parent undertaking were as follows:

##### **Beneficial holdings in ordinary shares of 10<sup>4</sup>/<sub>11</sub> p each**

|           | <u>31 December</u><br><u>2004</u> | <u>1 January</u><br><u>2004</u> |
|-----------|-----------------------------------|---------------------------------|
| R S Heels | 49,362                            | 52,162                          |

##### **Number of share options**

|           | <u>1 January</u><br><u>2004</u> | <u>Granted</u><br><u>under</u><br><u>SAYE*</u> | <u>Granted</u><br><u>under</u><br><u>SESO**</u> | <u>Exercised</u> | <u>Surrendered</u> | <u>31 December</u><br><u>2004</u> |
|-----------|---------------------------------|------------------------------------------------|-------------------------------------------------|------------------|--------------------|-----------------------------------|
| R S Heels | 120,827                         | -                                              | 17,500                                          | -                | -                  | 138,327                           |

\* Employee savings-related share option scheme

\*\* Senior executive share option schemes

**FIRST TOWER LP (1) LIMITED**

**REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31 DECEMBER 2004**  
**(CONTINUED)**

**5. Director's interests (continued)**

The above options are exercisable at various dates before 2014 at prices ranging between 450p and 985p per ordinary share.

R S Heels did not have any interest in the shares of the company or any other group company, except as disclosed above.

**6. Independent auditors**

The company has passed elective resolutions under Section 366A and 386(1) of the Companies Act 1985 to dispense with the requirements to hold an Annual General Meeting and to dispense with the obligation to appoint auditors annually. In the absence of a notice proposing that the appointment will be terminated, PricewaterhouseCoopers LLP will remain in office for the next financial year.

BY ORDER OF THE BOARD



R J Marshall Smith  
Company Secretary

17 October 2005

Registered office:

Unit 6B  
First Floor  
Highland House  
St Catherine's Road  
Perth  
SCOTLAND  
PH1 5YA

**FIRST TOWER LP (1) LIMITED**

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

Company law requires the director to prepare financial statements for each financial period that 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.

The director confirms that the most appropriate accounting policies have been used and applied consistently. He also confirms that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2004 and that applicable accounting standards have been followed. He also confirms that the financial statements have been prepared on the going concern basis.

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enables him to ensure that the financial statements comply with the Companies Act 1985. The director has a general responsibility 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

A handwritten signature in black ink, appearing to read 'R J Marshall Smith', is written over a horizontal line.

R J Marshall Smith  
Company Secretary  
17 October 2005

**FIRST TOWER LP (1) LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
FIRST TOWER LP (1) LIMITED**

We have audited the financial statements which comprise the profit and loss account, the statement of retained profits, the balance sheet, the accounting policies and the related notes.

**Respective responsibilities of the director and auditors**

The director's 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 director's responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and the 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 director's 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 director's remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the director's report.

**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 director 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 the company's affairs 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.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors

LEEDS  
19 October 2005

**FIRST TOWER LP (1) LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004**

|                                                | Notes | <u>2004</u><br>£ | <u>2003</u><br>£ |
|------------------------------------------------|-------|------------------|------------------|
| OPERATING LOSS                                 |       | (233)            | (233)            |
| Income from interest in fixed asset investment | 1(d)  | <u>252</u>       | <u>252</u>       |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION  | 2     | 19               | 19               |
| Taxation on profit on ordinary activities      | 3     | <u>-</u>         | <u>-</u>         |
| PROFIT FOR THE FINANCIAL YEAR                  |       | 19               | 19               |
| <i>Dividend paid on ordinary shares</i>        |       | <u>-</u>         | <u>-</u>         |
| RETAINED PROFIT FOR THE YEAR                   | 9     | <u>19</u>        | <u>19</u>        |

**STATEMENT OF RETAINED PROFITS**

|                                 | <u>2004</u><br>£ | <u>2003</u><br>£ |
|---------------------------------|------------------|------------------|
| RETAINED PROFIT BROUGHT FORWARD | 89               | 70               |
| RETAINED PROFIT FOR THE YEAR    | 19               | 19               |
| RETAINED PROFIT CARRIED FORWARD | <u>108</u>       | <u>89</u>        |

The results shown in the profit and loss account derive wholly from continuing activities.

The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

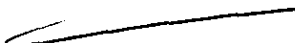
There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

**FIRST TOWER LP (1) LIMITED**

**BALANCE SHEET AS AT 31 DECEMBER 2004**

|                                                | Notes | <u>2004</u><br>£ | <u>2003</u><br>£ |
|------------------------------------------------|-------|------------------|------------------|
| FIXED ASSETS                                   |       |                  |                  |
| Investment in the Partnership                  | 4     | <u>167</u>       | <u>167</u>       |
| CURRENT ASSETS                                 |       |                  |                  |
| Debtors                                        | 6     | 2,094            | 1,842            |
| Cash at bank                                   |       | <u>4</u>         | <u>4</u>         |
|                                                |       | 2,098            | 1,846            |
| CREDITORS: amounts falling due within one year | 7     | <u>(1,990)</u>   | <u>(1,757)</u>   |
| NET CURRENT ASSETS                             |       | <u>108</u>       | <u>89</u>        |
| NET ASSETS                                     |       | <u>275</u>       | <u>256</u>       |
| CAPITAL AND RESERVES                           |       |                  |                  |
| Called-up share capital                        | 8     | 167              | 167              |
| Profit and loss account                        |       | <u>108</u>       | <u>89</u>        |
| SHAREHOLDERS' FUNDS                            | 9     | <u>275</u>       | <u>256</u>       |
| Equity shareholders' funds                     |       | 173              | 154              |
| Non-equity shareholders' funds                 |       | <u>102</u>       | <u>102</u>       |
| SHAREHOLDERS' FUNDS                            |       | <u>275</u>       | <u>256</u>       |

These financial statements were approved and signed on 17 October 2005 by:

  
R S Heels  
Director  


## **FIRST TOWER LP (1) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004**

#### **1. Principal accounting policies**

The financial statements are prepared under the historical cost convention, and in accordance with applicable Accounting Standards in the United Kingdom. A summary of the principal accounting policies applied in preparing the financial statements of the company for the year ended 31 December 2004, which have been applied on a consistent basis is set out below:

##### **(a) Investment in the Partnership**

The company's Partnership interest is stated at cost less provision for impairment in value.

##### **(b) Cash flow statement**

As permitted by Financial Reporting Standard (FRS) 1 (Revised) no cash flow statement is presented as the company is a wholly owned subsidiary undertaking of Provident Financial plc and is included in the consolidated financial statements of Provident Financial plc which are publicly available.

##### **(c) Deferred taxation**

Deferred taxation is provided in respect of all timing differences that have originated but not reversed at the balance sheet date and is determined using the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. Deferred tax assets are recognised only to the extent that it is regarded as more likely than not that they will be recovered. Deferred taxation balances are not discounted.

##### **(d) Income from fixed asset investment**

In each year the company recognises as income a share of the net profits of the Partnership for the same year. This share is calculated on an accruals basis in proportion to the company's contribution to the Partnership's capital.

#### **2. Profit on ordinary activities before taxation**

The company does not employ any staff. The director did not receive any emoluments in respect of his services to the company during the year (2003: £nil). Auditors' remuneration of £198 is included in the operating loss for the year (2003: £196).

#### **3. Taxation on profit on ordinary activities**

There is no charge to corporation tax for the year (2003: £nil).

#### **4. Investment in the Partnership**

As a limited partner, the company has contributed 8.325% of the capital of the Partnership, an entity which holds a beneficial leasehold interest in office accommodation.

Under partnership law, there is a possibility that the company may, in certain circumstances, be required to re-contribute to the Partnership some or all of the capital previously returned to it by the Partnership (in total £8,741,250). No liability is expected to arise.

**FIRST TOWER LP (1) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004**  
**(CONTINUED)**

**5. Director's emoluments**

The company paid no emoluments to the director during the year (2003: £nil).

Retirement benefits accrued to the director in the current and prior year under a defined benefit scheme.

**6. Debtors**

|                                 | <u>2004</u><br>£ | <u>2003</u><br>£ |
|---------------------------------|------------------|------------------|
| Amount due from the Partnership | 2,094            | 1,842            |

**7. Creditors: amounts falling due within one year**

|                                  | <u>2004</u><br>£ | <u>2003</u><br>£ |
|----------------------------------|------------------|------------------|
| Amount due to parent undertaking | 1,990            | 1,757            |

**8. Called-up share capital**

|                                               | <u>2004</u><br>£ | <u>2003</u><br>£ |
|-----------------------------------------------|------------------|------------------|
| <u>Authorised:</u>                            |                  |                  |
| 1,000,000 deferred ordinary shares of £1 each | 1,000,000        | 1,000,000        |
| 100 ordinary shares of \$1 each               | 65               | 65               |
| <u>Issued, allotted and fully paid:</u>       |                  |                  |
| Deferred ordinary shares of £1 each           | 102              | 102              |
| 100 ordinary shares of \$1 each               | 65               | 65               |
|                                               | <u>167</u>       | <u>167</u>       |

The deferred ordinary shares of £1 each do not carry a right to receive notice of, or attend and vote at, any general meeting of the company. Under the Articles of Association the holders of the deferred ordinary shares will only be entitled to any participation in the profit or assets of the company in very limited and specified circumstances. The company has the power and authority at any time to purchase all or any of these shares for an aggregate consideration of £1.

**FIRST TOWER LP (1) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004**  
**(CONTINUED)**

**9. Reconciliation of movements in shareholders' funds**

|                                       | <u>2004</u> | <u>2003</u> |
|---------------------------------------|-------------|-------------|
|                                       | <u>£</u>    | <u>£</u>    |
| Profit for the financial year         | 19          | 19          |
| Shareholders' funds as at 1 January   | <u>256</u>  | <u>237</u>  |
| Shareholders' funds as at 31 December | <u>275</u>  | <u>256</u>  |

**10. Parent undertaking**

The company's parent undertaking and controlling party is Provident Financial plc, which is the smallest and largest group to consolidate these accounts and is a company registered in England. Copies of that company's consolidated accounts can be obtained from the Company Secretary, Provident Financial plc, Colonnade, Sunbridge Road, Bradford, BD1 2LQ.