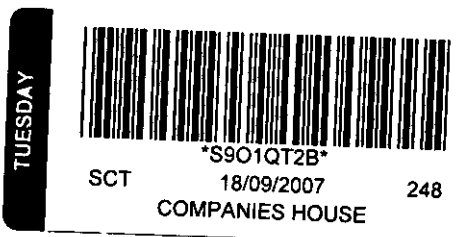


**FIRST TOWER LP (11) LIMITED**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2006**

**(Company Number SC122181)**



**FIRST TOWER LP (11) LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2006**

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## FIRST TOWER LP (11) LIMITED

### REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31 DECEMBER 2006

The director presents his report and the audited financial statements of the company for the year ended 31 December 2006

#### 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 £5 (2005 £6) has been transferred to reserves

#### 3. Dividend

The director does not recommend the payment of a dividend in respect of the year (2005 £nil)

#### 4. Director

The directors of the company at 31 December 2006, all of whom were directors for the whole of the year then ended, except where stated were

R S Heels (resigned 16 July 2007)

K J Mullen (appointed 16 July 2007)

#### 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 2006 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> <u>2006</u>	<u>1 January</u> <u>2006</u>
R S Heels	39,824	44,824

#### Number of share options

	<u>1 January</u> <u>2006</u>	<u>Granted</u> <u>under</u> <u>SAYE*</u>	<u>Granted</u> <u>under</u> <u>SESO**</u>	<u>Exercised</u>	<u>Surrendered</u>	<u>31 December</u> <u>2006</u>
R S Heels	114,158	1,334	24,860			140,352

\* Employee savings related share option scheme

\*\* Senior executive share option schemes

The above options are exercisable at various dates before 2016 at prices ranging between 468p 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

**FIRST TOWER LP (11) LIMITED**

**REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31 DECEMBER 2006 (CONTINUED)**

**6 Principal risks and uncertainties**

The directors of Provident Financial plc manage the group's risks at a group level rather than at an individual business unit level. For this reason, the company's director believes that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of First Tower LP (11) Limited's business. The principal risks and uncertainties of Provident Financial plc, which include those of the company, are discussed in the principal risks section of the group's financial report which does not form part of this report.

**7. Key performance indicators (KPIs)**

Given the straightforward nature of the business, the company's director is of the opinion that an analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

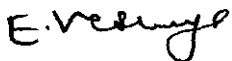
**8. Auditor information**

As far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. The director has taken all the steps that he ought to have taken as a director in order to make him aware of the relevant audit information and to establish that the company's auditors are aware of that information.

**9. 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



E Versluys  
Company Secretary

7 September 2007

Registered office

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

**FIRST TOWER LP (11) 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 2006 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



E Versluys  
Company Secretary  
7 September 2007

**FIRST TOWER LP (11) LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**FIRST TOWER LP (11) LIMITED**

We have audited the financial statements of First Tower LP (11) Limited for the year ended 31 December 2006 which comprise the profit and loss account, the statement of retained profits, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of director and auditors**

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). 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 report of the director is not consistent with the financial statements.

In addition, we 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 other transactions is not disclosed.

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

**Basis of audit opinion**

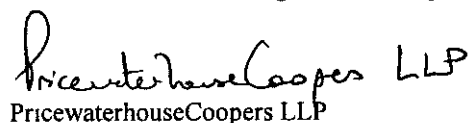
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the report of the director is consistent with the financial statements.

  
PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Leeds

7 September 2007

**FIRST TOWER LP (11) LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006**

	Notes	<u>2006</u> £	<u>2005</u> £
OPERATING LOSS		(247)	(247)
Income from interest in fixed asset investment	1(d)	<u>252</u>	<u>253</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	5	6
Taxation on profit on ordinary activities	3	<u>          </u>	<u>          </u>
PROFIT FOR THE FINANCIAL YEAR		5	6
Dividend paid on ordinary shares		<u>          </u>	<u>          </u>
RETAINED PROFIT FOR THE YEAR	9	<u><u>5</u></u>	<u><u>6</u></u>

**STATEMENT OF RETAINED PROFITS**

	<u>2006</u> £	<u>2005</u> £
RETAINED PROFIT BROUGHT FORWARD	114	108
RETAINED PROFIT FOR THE YEAR	<u>5</u>	<u>6</u>
RETAINED PROFIT CARRIED FORWARD	<u><u>119</u></u>	<u><u>114</u></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 (11) LIMITED**  
**BALANCE SHEET AS AT 31 DECEMBER 2006**

	Notes	<u>2006</u> £	<u>2005</u> £
<b>FIXED ASSETS</b>			
Investment in the Partnership	4	<u>167</u>	<u>167</u>
<b>CURRENT ASSETS</b>			
Debtors	6	489	236
Cash at bank and in hand		<u>2,116</u>	<u>2,116</u>
		2,605	2,352
<b>CREDITORS amounts falling due within one year</b>	7	<u>(2,486)</u>	<u>(2,238)</u>
<b>NET CURRENT ASSETS</b>		<u>119</u>	<u>114</u>
<b>NET ASSETS</b>		<u>286</u>	<u>281</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	167	167
Profit and loss account		<u>119</u>	<u>114</u>
<b>SHAREHOLDERS' FUNDS</b>	9	<u>286</u>	<u>281</u>
Equity shareholders' funds		184	179
Non equity shareholders' funds		<u>102</u>	<u>102</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>286</u>	<u>281</u>

These financial statements were approved and signed on 7 September 2007 by



K J Mullen  
Director



## **FIRST TOWER LP (11) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006**

#### **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 2006, 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. Auditors' remuneration of £210 is included in the operating loss for the year (2005 £210).

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

There is no charge to corporation tax for the year (2005 £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 (11) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006 (CONTINUED)**

**5. Director's emoluments**

The company paid no emoluments to the director during the year (2005 £nil)

Retirement benefits accrued to the director in the current and prior year under a defined benefit scheme. These costs were borne by the company's parent undertaking, Provident Financial plc

**6. Debtors**

	<u>2006</u> £	<u>2005</u> £
Amount due from the Partnership	<u>489</u>	<u>236</u>

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

	<u>2006</u> £	<u>2005</u> £
Amount due to parent undertaking	<u>2,486</u>	<u>2,238</u>

**8. Called up share capital**

	<u>2006</u> £	<u>2005</u> £
<u>Authorised</u>		
1,000,000 deferred ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
100 ordinary shares of \$1 each	<u>65</u>	<u>65</u>
<u>Issued, allotted and fully paid</u>		
Deferred ordinary shares of £1 each	102	102
100 ordinary shares of \$1 each	<u>65</u>	<u>65</u>
	<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 (11) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006 (CONTINUED)**

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

	<u>2006</u>	<u>2005</u>
	£	£
Profit for the financial year	5	6
Shareholders' funds as at 1 January	<u>281</u>	<u>275</u>
Shareholders' funds as at 31 December	<u>286</u>	<u>281</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.