

FIRST TOWER LP (2) LIMITED
(Company Number SC125164)

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2010

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FIRST TOWER LP (2) LIMITED
(Company Number SC125164)

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2010

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FIRST TOWER LP (2) LIMITED
(Company Number SC125164)

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The director presents his report and the audited financial statements of the company for the year ended 31 December 2010.

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 sustained loss for the year of £48 (2009: £33) has been deducted from reserves.

3. Dividend

The director is unable to recommend the payment of a dividend in respect of the year (2009: £nil).

4. Directors

The director of the company at 31 December 2010, and for the year then ended, was:

K J Mullen

5. Principal risks and uncertainties and financial risk management

The company participates in the group-wide risk management framework of Provident Financial plc, which incorporates financial risk management. Details of the group's risk management framework, together with the group's principal risks and uncertainties, are set out in the annual report of Provident Financial plc.

6. Key performance indicators (KPIs)

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

7. Auditor information

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

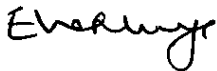
FIRST TOWER LP (2) LIMITED
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DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

8. Auditors

PricewaterhouseCoopers LLP will continue as auditors for the next financial year.

BY ORDER OF THE BOARD



EG Versluys
Company Secretary
Bradford
25 March 2011

Registered office:
Unit 6B
First Floor
Highland House
St Catherine's Road
Perth
Scotland
PH1 5YA

FIRST TOWER LP (2) LIMITED
(Company Number SC125164)

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

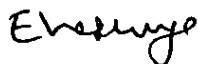
The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they 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 these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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



EG Versluys
Company Secretary
Bradford
25 March 2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FIRST TOWER LP (2) LIMITED

We have audited the financial statements of First Tower LP (2) Limited for the year ended 31 December 2010 which comprise the profit and loss account, the statement of retained profits, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the statement of director's responsibilities on page 3 the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Randal Casson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
25 March 2011

FIRST TOWER LP (2) LIMITED
(Company Number SC125164)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	<u>2010</u> £	<u>2009</u> £
Turnover		-	-
Operating expenses		(298)	(283)
OPERATING LOSS		(298)	(283)
Income from interest in fixed asset investment	1(c)	250	250
SUSTAINED LOSS FOR THE YEAR	2, 8	(48)	(33)

STATEMENT OF RETAINED PROFITS

	<u>2010</u> £	<u>2009</u> £
Retained profit at 1 January	78	111
Sustained loss for the year	(48)	(33)
Retained profit at 31 December	30	78

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.

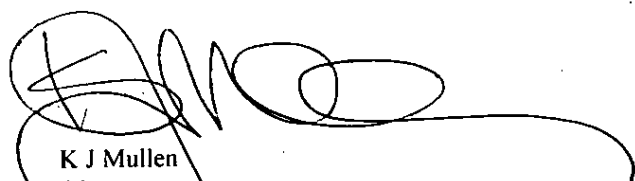
There is no difference between the loss on ordinary activities before taxation and the sustained loss for the year stated above and their historical cost equivalents.

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BALANCE SHEET AS AT 31 DECEMBER 2010

	Notes	<u>2010</u> £	<u>2009</u> £
FIXED ASSETS			
Investment in the Partnership	3	<u>167</u>	<u>167</u>
CURRENT ASSETS			
Debtors	5	1,497	1,247
Cash at bank and in hand		<u>2,116</u>	<u>2,116</u>
		3,613	3,363
CREDITORS: amounts falling due within one year	6	<u>(3,583)</u>	<u>(3,285)</u>
NET CURRENT ASSETS		<u>30</u>	<u>78</u>
NET ASSETS		<u>197</u>	<u>245</u>
CAPITAL AND RESERVES			
Called-up share capital	7	167	167
Profit and loss account		<u>30</u>	<u>78</u>
SHAREHOLDERS' FUNDS	8	<u>197</u>	<u>245</u>
Equity shareholders' funds		95	143
Non-equity shareholders' funds		<u>102</u>	<u>102</u>
SHAREHOLDERS' FUNDS		<u>197</u>	<u>245</u>

The financial statements on pages 5 to 9 were approved and signed on 25 March 2011 by:


K J Mullen
Director

FIRST TOWER LP (2) LIMITED
(Company Number SC125164)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

1. Principal accounting policies

The financial statements are prepared on a going concern basis under the historical cost convention, in accordance with the Companies Act 2006 and applicable accounting standards (United Kingdom Generally Accepted Accounting Practice). A summary of the principal accounting policies applied in preparing the financial statements of the company 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 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) Income from interest in 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. Loss on ordinary activities before taxation

The company does not employ any staff. Auditors' remuneration of £298 (2009: £283) is included in the operating loss for the year.

3. 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.

4. Director's emoluments

The emoluments of the director are paid by the ultimate parent company, Provident Financial plc, which makes no recharge to the company (2009: no recharge). The director of the company is also a director of a number of subsidiary companies and it is not possible to make an accurate apportionment of his services in relation to the company.

Retirement benefits accrue to one director (2009: one director) under a money purchase scheme.

One director (2009: no director) exercised share options over shares of the company's ultimate parent company, Provident Financial plc

5. Debtors

	<u>2010</u> £	<u>2009</u> £
Amount due from the Partnership	<u>1,497</u>	<u>1,247</u>

FIRST TOWER LP (2) LIMITED
(Company Number SC125164)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

6. Creditors: amounts falling due within one year

	<u>2010</u> £	<u>2009</u> £
Amount due to parent undertaking	3,583	3,285

Amounts owed to the ultimate parent undertaking are unsecured and have no fixed date of repayment. No interest has been charged on loans from the company's ultimate parent on the basis that, had the company and its parent been acting at arms length, these loans would not have been made. The company is considered to have no ability to service or repay such loans.

7. Called-up share capital

	<u>2010</u> £	<u>2009</u> £
<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
	167	167

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.

8. Reconciliation of movements in shareholders' funds

	<u>2010</u> £	<u>2009</u> £
Loss for the financial year	(48)	(33)
Shareholders' funds as at 1 January	245	278
Shareholders' funds as at 31 December	197	245

9. Related party disclosures

As a wholly owned subsidiary, the company has taken advantage of the exemption in FRS 8, 'Related party transactions,' from disclosing related party transactions with other entities included in the consolidated accounts of Provident Financial plc.

There were no other related party transactions.

FIRST TOWER LP (2) LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010 (CONTINUED)

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, No.1 Godwin Street, Bradford, BD1 2SU.