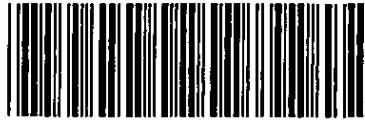


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LYNCREST (1998) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

LYNCREST (1998) LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the company for the year ended 31 December 2009.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The Company was party to a group debt forgiveness exercise but did not trade during the year, which makes the going concern presumption in FRS 18 "Accounting policies" inappropriate. The financial statements have therefore been prepared on a break-up basis, which has not had a material impact on the financial statements. The state of the company's affairs is shown in the attached financial statements.

Principal risks and uncertainties

The directors of Pentland Group plc manage the group's risk at a group level, rather than at an individual entity level. For this reason, the company's directors believe that a discussion of the company's risks would not be appropriate for an understanding of the development, performance or position of the Lyncrest (1998) Limited's business.

The principal risks and uncertainties of Pentland Group plc, which include those of the company, are discussed on page 1 of the group's annual report which does not form part of this report. Copies of the Pentland Group plc consolidated financial statements are available from the Company secretary at 8 Manchester Square, London, W1U 3PH.

Key performance indicators

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

RESULTS AND DIVIDENDS

As a result of a debt forgiveness exercise, effective 22 December 2009, an amount of £1,856,000 owed to fellow subsidiary undertakings by the company was waived, giving rise to a profit for the year of £1,856,000 (2008: £Nil), shown in the profit and loss account on page 5.

The Directors do not recommend the payment of a dividend (2008: £nil).

DIRECTORS

The following directors who held office during the year unless noted and up to the date of signing the financial statements were:

A M Long
P J Campbell
A S Rubin

QUALIFYING THIRD PARTY AND PENSION SCHEME INDEMNITY PROVISIONS

Pentland Group plc (the ultimate parent company) has provided an indemnity for the directors and the secretary of the company, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

LYNCREST (1998) LIMITED

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are 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 directors are 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,
- 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 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 them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DISCLOSURE OF INFORMATION TO AUDITORS

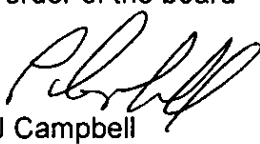
So far as the directors are aware, there is no relevant audit information, being information required by the auditors in connection with the preparation of the auditors' report, of which the auditors are unaware. Having made enquiries of fellow directors and the group auditors, each director has taken all steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the board


P J Campbell
Company secretary
28 June 2010

LYNCREST (1998) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LYNCREST (1998) LIMITED

We have audited the financial statements of Lyncrest (1998) Limited for the year ended 31 December 2009 which comprise the profit and loss account, 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 Directors' Responsibilities Statement set out on page 2 the directors are 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 2009 and of its profit 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

LYNCREST (1998) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LYNCREST (1998) LIMITED (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' 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



Alison Lees (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
28 June 2010

LYNCREST (1998) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 £'000	2008 £'000
Profit on ordinary activities before taxation	3	1,856	-
Tax on profit on ordinary activities	5	-	-
Profit for the financial year	9	1,856	-

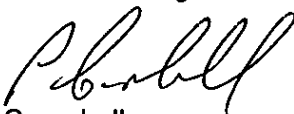
All activities have been discontinued. The current year gain is a result of the debt forgiveness exercise. The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the profit on ordinary activities before taxation and the profit on ordinary activities after taxation for the financial years stated above and their historical cost equivalents.

LYNCREST (1998) LIMITED**BALANCE SHEET AS AT 31 DECEMBER 2009**

	Notes	2009 £'000	2008 £'000
Current assets			
Debtors	6	28	28
Current liabilities			
Creditors – amounts falling due within one year	7	(3)	(1,859)
Net assets/(liabilities)		<u>25</u>	<u>(1,831)</u>
Capital and reserves			
Called up equity share capital	8	-	-
Profit and loss account	9	25	(1,831)
Total shareholders' funds/(deficit)		<u>25</u>	<u>(1,831)</u>

The financial statements on pages 5 to 10 were approved by the board of directors on 28 June 2010 and signed on its behalf by


P J Campbell
Director

Registered number 2016061

1 ACCOUNTING POLICIES

Basis of preparation These financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently with the prior year, is given in the following paragraphs.

The Company was party to a group debt forgiveness exercise but did not trade during the year, which makes the going concern presumption in FRS 18 "Accounting policies" inappropriate. The financial statements have therefore been prepared on a break-up basis, which has not had a material impact on the financial statements. The state of the company's affairs is shown in the attached financial statements.

2 CASH FLOW STATEMENT

Pentland Group plc, of which the company is a wholly owned subsidiary, has presented in its consolidated financial statements a group cash flow statement drawn up under the provisions of Financial Reporting Standard 1 Cash flow statements (FRS 1 Revised 1996). Accordingly the company has taken advantage of the exemption available under FRS 1 revised 1996 to dispense with presenting its own cash flow statement.

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2009 £'000	2008 £'000
Net operating expenses		
Administrative expenses before exceptional items	-	-
Exceptional administrative expenses	1,856	-
Profit on ordinary activities before taxation	<u>1,856</u>	<u>-</u>

Within exceptional administration expenses is a net profit of £1,856,000 from the forgiveness of amounts owed to fellow subsidiary undertakings.

LYNCREST (1998) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

4 DIRECTORS AND EMPLOYEES

The directors, who were the only employees of the company, did not receive any emoluments in respect of their services to the company during the year (2008 £nil)

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

Based upon the results for the year there was no tax payable

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 28% (2008 28.5%) The differences are explained below

	2009 £'000	2008 £'000
Profit on ordinary activities before taxation	1,856	-
Profit on ordinary activities multiplied by standard rate in the UK of 28% (2008 28.5%)	520	-
Effect on tax charge of Permanent differences	(520)	-
Current tax charge for the year	-	-

6 DEBTORS: amounts falling due within one year

	2009 £'000	2008 £'000
Amounts due from fellow subsidiary undertakings	28	28

7 CREDITORS: amounts falling due within one year

	2009 £'000	2008 £'000
Amounts due to fellow subsidiary undertakings	3	1,859

Amounts owed to parent undertakings have been reduced by £1,856,000 as a result of the debt forgiveness exercise

LYNCREST (1998) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

8 CALLED UP SHARE CAPITAL

	2009 £'000	2008 £'000
Authorised 100,000 ordinary shares of 10p each	10	10
	2009 £'000	2008 £'000
Allotted, issued and fully paid 100 ordinary shares of £1	-	-
	<hr/>	<hr/>

9 PROFIT AND LOSS ACCOUNT

	£'000
At 1 January 2009	(1,831)
Profit for the financial year	1,856
At 31 December 2009	<hr/> 25 <hr/>

10 COMMITMENTS AND CONTINGENCIES

Bank overdrafts are reported gross but the company and its UK fellow subsidiary undertakings have arrangements with their clearing banks whereby sterling and, if applicable, US dollar and euro cleared credit balances are set off against the respective sterling and foreign currency cleared debit balances on their current accounts and interest is paid only on the aggregate net overdrafts

The company is party to a guarantee in favour of its bank regarding the aggregate indebtedness on the cleared current account balances in sterling, US dollars and euros, respectively, of Pentland Group plc and of several UK fellow subsidiaries, which together comprise the overdraft group and participate in the set-off arrangements with the bank

The company's liability under the guarantee is limited to the lower of the account indebtedness of the relevant group companies and its own current account credit balances in sterling and the respective foreign currencies with the bank

11 RELATED PARTIES

Pentland Group plc, of which the company is an indirect wholly owned subsidiary, has presented in its consolidated financial statements, which are publicly available, a related parties disclosure note under the provisions of Financial Reporting Standard 8 Related party disclosures (FRS 8) Accordingly, the company has taken advantage of the exemption available under FRS 8 to dispense with disclosing related party transactions with entities within the group, or investees of the group, qualifying as related parties

12 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Pentland Industries Limited, a company registered in England, which has prepared financial statements for the year ended 31 December 2009 and these can be obtained from the company's registered office at 8 Manchester Square, London W1U 3PH. The immediate and ultimate parent undertaking is Pentland Group plc, a company registered in England. R S Rubin and his close family are considered the ultimate controlling party by virtue of their control of Pentland Group plc. Consolidated financial statements have been prepared by Pentland Group plc, which is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements for the year ended 31 December 2009. The consolidated financial statements of Pentland Group plc can be obtained from the company's registered office at 8 Manchester Square, London W1U 3PH.